

**TRANSCRIPT OF PROCEEDINGS OF THE 24<sup>TH</sup> ANNUAL GENERAL MEETING ("AGM") OF THE  
MEMBERS OF HDFC LIFE INSURANCE COMPANY LIMITED ("THE COMPANY/HDFC LIFE")  
HELD ON MONDAY, JULY 15, 2024, AT 3.00 P.M. (IST) THROUGH VIDEO-CONFERENCING  
("VC")/OTHER AUDIO-VISUAL MEANS ("OAVM")**

**HDFC LIFE INSURANCE COMPANY LIMITED**

**Moderator**-Requesting the Chairman to start the proceedings of the meeting. Thank you.

**Welcome address by Mr Keki M. Mistry, Non-Executive Chairman**

Dear Shareholders, Good afternoon, its 3.00 pm.

On behalf of the Board of Directors of HDFC Life, I welcome you all to the 24<sup>th</sup> Annual General Meeting of your company conducted through two-way, video-conferencing facility. I have been informed that the requisite quorum is present to conduct the proceedings of this meeting. I accordingly call this meeting to order.

All the Directors are attending this meeting except Ms Bharti Gupta Ramola, who has sought leave of absence. The representatives of the Joint Statutory Auditors and the Secretarial Auditor, as well as the scrutinizer for supervising thee-voting process have joined this meeting. The Senior Management of HDFC Life is also participating in this meeting through video-conference ("VC").

I would like to welcome and thank all the members and other participants who have joined this meeting through VC. The Company has made necessary arrangements to ensure participation of the members through video-conference and to enable them to vote on the resolutions as set forth in the AGM Notice, electronically. Since there is no physical participation of the members for the meeting, the requirement for appointment of proxies is not applicable. Therefore, the Company has not provided proxy forms to its shareholders. All the applicable statutory registers, returns, certificates and other documents as referred in the AGM Notice are available for inspection on the e-voting module made available by the e-voting service providerviz.,KFin Technologies Limited.

I will now proceed with the agenda for the meeting in compliance with the circulars issued by the Ministry of Corporate Affairs and SEBI. The annual report and AGM Notice was sent through email to the members whose email addresses were registered with the Company or with the Registrar & Transfer Agent. The same has also been hosted on the Company's website [www.hdfclife.com](http://www.hdfclife.com) as well as on the website of the stock exchanges.

The Joint Statutory Auditors and the Secretarial Auditor have expressed an unqualified, unmodified opinion in their respective audit reports for the financial year ended 2023-24, and since there were no material qualifications or adverse observations, the said reports are not required to be read at this meeting.

Before I commence my speech, let me at the outset, on behalf of the entire Board as well as all of you place on record my sincere appreciation for the immense contribution made by Mr Deepak S. Parekh, who was the Chairman of your company from the very inception till recently. I would like to thank Mr Deepak Parekh for everything that he has done for the Company since inception, and I would like to wish him and his family good health and the very best.

Let me now take you through some of the important aspects of India's economy. Some key regulatory changes and achievements of your Company during the last financial year.

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

The financial year 2023-24 represented significant challenges for the global economy. Multiple macroeconomic and geopolitical trends continued to create widespread uncertainty from inflationary pressures to regulate free shifts and geopolitical tensions. These factors collectively shaped a challenging environment for businesses worldwide to tackle inflation. Major central banks brought about a restrictive monetary policy in their economies, which led to some amount of economic slowdown. Despite slowdown in the developed economies as well as in some of the emerging markets, including India, displayed markable resilience. Domestic economic activity remains strong as evident from positive indicators such as strong credit growth, tax and GST collections, e-way bills, rail freight traffic and air passenger traffic, amongst others. Against the uncertain global backdrop, India has increasingly been in the spotlight for being the fastest growing major economy.

I'm extremely optimistic about the future of our economy. India's economic growth has surpassed global expectations as it was better able to manage its economy due to a confluence of factors such as sound government policies, strong macroeconomic fundamentals, inherent domestic demand, timely regulatory interventions and continued reforms which have ensured India's Long-term growth.

India's GDP grew by a whopping 8.2% for the financial year 2023-24 and is projected to grow at 7.2% during the financial year 2024-25. This compares with a GDP growth of around 4% for all the emerging markets and even lower growth for the developed world.

The onset of the Russia-Ukraine war in early 2022 saw spiralling oil prices and inflation started hitting Indian economy from April 2022. RBI reigned in inflation through a series of calibrated measures.

Core inflation has largely been reigned in and stood at 3.13% in June, 2024.

In my opinion, both the Government as well as RBI did a truly outstanding job in managing the economy during last 4 years. This has contributed significantly to making India the fastest growing economy in the world.

Let me now come to the life insurance industry. The life insurance industry in India grew by 2% both in terms of new business premium as well as number of policies sold during the financial year 2023-24. Private insurers grew by 12% on premium basis and 9% in terms of

number of policies sold during the year. The new business premiums of Indian life insurance reached a record high of Rs 3.78 lakh crore for the financial year ended March 2024.

According to the Swiss Re, India is one of the fastest growing insurance markets in the world and is forecasted to be the 6<sup>th</sup> largest market by 2032, ahead of Germany, Canada and South Korea. Currently, we are the 10<sup>th</sup> largest insurance market in the world.

Being a largely underinsured market, India has a huge potential for growth. The overall life insurance penetration in India is fairly low at 3.2%.

Given the low insurance penetration in the country, expansion into tier two and tier three cities is expected to further drive growth.

In the past couple of years, IRDAI has been driving the objective of “Insurance for all by 2047”. Some of the noteworthy regulatory initiatives include increased commercial and operational flexibility due to the expense of management, increased limits of raising Sub-debt, Bima Trinity of Vistaar, Vahakand Sugam, introduction of state level insurance committees, allowing insurance companies to open new branches without needing prior approval of the regulator and more recently offering increased payouts in case of early policy surrenders by customers.

IRDAI may also consider implementing a risk-based supervision model like in the banking industry. It will lay down principles for management of operational market and governance risk and the insurance companies will be responsible for monitoring the same. These regulations would increase the ease of doing business, encourage development of Long-term products and improve persistency, thereby creating value for customers.

Let me now come to the performance of our Company during FY 2023-24.

During the year, your Company recorded a growth of 11% on a normalized basis and a growth of 1% on an unadjusted WRP basis. Growth in ticket sizes up to Rs5 lakh was a robust at 19%.

During the financial year 2023-24, HDFC Life recorded a market share of 15.4% amongst the private sector insurance companies and an overall market share of 10.4%. Your Company has been consistently ranked amongst the top three players in the industry. Our AUM stood at Rs 2.92 lakh crore and our embedded value stood at Rs 47,468 crore. As of March 31, 2024, our solvency ratio was healthy at 187% and our new business margin for the year was 26.3%. The Company witnessed a 47% growth in individuals, sum assured growth in pure term products, return of premium products and higher protection cover embedded in savings and investment plans.

We deepened our customer base by insuring more than 6.6 crore lives during the financial year 2023-24. More than 70% of the retail customers on-boarded are new to HDFC Life and almost half of these are below 35 years of age. In line with our stated intent to broaden the customer base, the number of policies issued during the year increased by 11%.

Renewal collections grew by 18% year-on-year demonstrating our customers continued trust in us. 13<sup>th</sup> month and 61<sup>st</sup> month persistency was at 87% and 53%, respectively.

Our subsidiary viz., HDFCPension Management Company Limited achieved a milestone by crossing Rs 75,000 crore AUM mark, delivering a remarkable growth of 70%. We have maintained a market leadership in the pension category, commanding a market share of 43% in the retail and corporate segment.

Additionally, we are actively pursuing an expansion plan for the GIFTCity business through one of our subsidiaries viz., HDFC International Life and ReCompany Limited. With the introduction of innovative US dollar denominated life and health insurance products such as US dollar Global Education Plan and Global Student Healthcare Plan, we are making strides in penetrating the NRI segment.

Let me conclude by saying that at HDFC Life we have gained invaluable experience over the years. Having successfully navigated several different business cycles, we have consistently invested in our product innovation and distribution capabilities and as a result, we have built a diversified distribution franchise that is able to sustain growth and profitability consistently.

Our objective is to capitalize on the macro-opportunities by expanding our presence in a calibrated measure as well as building a future ready business through tech led transformation of our entire activity system to offer best in class experience to our customers.

I would like to take this opportunity to express my gratitude to our valued customers for placing their trust and confidence in us.

Additionally, I extend my thanks to all our dedicated employees whose unwavering commitment and hard work have been instrumental in our success. I also want to acknowledge the support of our shareholders and the empowerment provided by IRDAI to the industry. Last but not the least; I would like to thank my fellow Board members for their guidance and support throughout the year.

#### **END OF CHAIRMAN'S SPEECH**

Before we proceed further, I would like to bring it to your notice that in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company has provided remote e-voting facility to its members to enable them to vote electronically on the resolutions set out in the AGM Notice. Members who have not cast their votes earlier through remote e-voting and are participating in this meeting can cast their votes during the meeting and also upon conclusion of the question-and-answer session.

Now, I would like to invite the speaker shareholders who have registered themselves, to speak and ask questions, if any. I request the speakers to be brief and restrict their questions to the matters as set forth in the AGM notice, annual accounts and operations of your Company. To avoid repetition, answers to all the questions will be provided by the Managing Director & CEO at the end of the question-and-answer session. I now request the moderator to proceed with the question-and-answer session. Thank you.

## COMMENCEMENT OF QUESTION-AND-ANSWER SESSION

**Moderator**-Thank you Chairman. I request our first speaker, Mr Tamal Kumar Majumder to kindly unmute your audio, switch on your video and proceed with your question please.

**1) Mr Tamal Kumar Majumder**-Greeted the Board. Expressed gratitude towards CS Narendra Gangan and his team for maintaining cordial relation and for always being available for any assistance, and also for preparing such a excellent Annual Report.

Below are the questions raised by Mr Majumder:

Query1- What is the Company's growth outlook for the financial year 2025, and also growth prospects in the tier two and three markets?

Query2- What's the ticket size of the business ceded during the current year?

Query3- How HDFC International is doing especially in the GIFT City?

Query4- About acquisition of Exide Life?

Query5- Details about the new product launches?

Query6 -Details about the GST demand notice?

Query7-Details about sexual harassment cases?

**Chairman**-Thank you.

**Moderator**-Thank you Mr Majumder. I request our next speaker Mrs CEMascarenhas to kindly unmute your audio, switch on your video and proceed with your question.

**2) Mrs CE Mascarenhas**-Thank you Chairman, MD &CEO and fellow members of the Board. Expressed gratitude to Mr Deepak Parekh for his vision towards the Company and other group companies. Also, thanked the Company Secretary and his team for the wonderful annual report and for registering her as the speaker and giving her the platform to speak. Expressed gratitude towards Kfintech team. Appreciated the information, facts and figures given in the annual report and adherence to the Corporate Governance norms. Appreciated the dividend payout of 20% and maintaining the market capitalisation. enquired about the 25<sup>th</sup> Silver Jubilee occasion of AGM to be held next year. Asked about bonus or split of shares. Also, congratulated the Company for the awards and accolades. Was satisfied with the CSR work done by the Company.

Query 1- The Company has received a good ESG rating, is the rating supposed to be done every year or once in 5 years?

Query 2- Which Policy of the company is a fast-selling policy?

Query 3- Currently there are 32,486 employees. What are the average age and the attrition level?

Query 4-What is the percentage of online policies as compared to the offline branches and cross selling?

Query 5-Since we have two subsidiaries- HDFC Pension and HDFC International, any thought given to list any one of them?

Query 6-How much business is generated from GIFT city compared to HDFC International as a percentage?

Query 7-Has policy bazaar affected our business?

Query 8- IRDAI has increased the surrender value of the policies, will this affect our profits in the in the future, if next year many policies come for surrender?

*Further, she mentioned that she supports all the resolutions and thanked everyone for giving her the platform to speak*

**Chairman**-Thank you.

**Moderator**-Thank you, Mrs. Mascarenhas. I request our next speaker, Mr Gautam Tiwari to kindly unmute your audio,switch on your video and proceed with your question.

**3) Mr Gautam Tiwari**-Greeted everyone and appreciated the Chairman for all the efforts he has put into the Company over the years. Also, appreciated the management for their efforts and for paying 20% dividend. Complimented the secretarial team for insightful annual report and for excellent investor relation services. Also, congratulated the management team for winning award forbest Corporate Governance.

Query1- Company's current performance is very good. How will the company's performance be in the future?

Query 2- What is our ranking inlife insurance industry amongst all our competitors at present?

Query 3- What is the growth outlook and what is the approach in this direction for the coming future?

Query4- How many products have we added during the year and particularly duringthis quarter?

Query 5- Which one is our most popular policy that is earning the maximum revenue for us?

Query 6- What is our company's plan for premium defaulters, how do we handle and tackle them?

*Further, he had mentioned that he strongly supportsevery resolution for which he has already votedfavourably in advance.*

**Chairman**-Thank you very much Mr. Tiwari

**Moderator**-Thank you, Mr Tiwari. I request our next speaker, Mr AspiBhesania to kindly unmute your audio,switch on your video and proceed with your question.

**4) Mr AspiBhesania**-Thanked the chairman for giving her the opportunity to speak. Also, welcomed the new directors on the Board- Dr Bhaskar Ghosh, Mr Kaizad Bharucha and Mr Venkataraman Srinivasan.

Query 1- Why no physical meeting of the shareholders conducted?

Query 2- Please share the performance of subsidiaries last year?

Query 3 - What is the way forward post-merger of HDFC Ltd. with the HDFC Bank?

Query 4- What is the growth outlook considering recent amendments introduced by IRDAI?

**Chairman**-Thank you Mr Aspi.

**Moderator**-Thank you Sir. I request our next speaker Mr Kaushik Sahukar to kindly unmute your audio, switch on your video and proceed with your question.

**5) Mr Kaushik Sahukar**-Greeted everyone and extended his gratitude for giving him the opportunity to speak.

Query1- Does increasing premium for senior citizens fully benefit the company's profitability or could it backfire?

Query2- Wouldn't it be more appropriate to reduce the premium rate for senior citizens and also for differently abled persons?

Query 3- According to news published the Economic Times on June 11, 2024, HDFC Life has introduced 10% hike for policyholders aged 60 and above. Why is there an increase in the rate for senior citizens?

Query 4- Any plans for the absence of significant corporate actions such as bonus distribution, stock spreads or mergers and demergers at MNC shareholders wealth?

Thanked everyone for their time and consideration.

**Chairman**- Thank you Kaushik.

**Moderator**-Thank you. I request our next speaker, Mr HiranandKotwani to kindly unmute your audio, switch on your video and proceed with your question.

**Mr HiranandKotwani** – Appreciated the Chairman for his work and gave suggestion to not digitalise insurance for old people.

**Chairman**-Thank you.

**Moderator**-Thank you, Mr Kotwani. I request our next speaker Mrs LekhaShah to kindly unmute your audio.

**6) Mrs LekhaShah**-Greeted the Board members. Thanked the Company Secretary Mr Narendra Gangan for giving her the opportunity to speak and appreciated the insights provided in the annual report. Appreciated the Company for receiving awards and recognitions and also for the CSR activities done by the Company.

Query1- In order to retain and attract talent has our company granted stop option scheme to employees?

*Mentioned that she strongly and heartily supports all the resolutions for today's meeting. Thank you so much.*

**Chairman**-Thank you very much.

**Moderator**-Thank you ma'am. I request our next speaker Mr HasmukhlalVora to kindly unmute your audio, switch on your video and proceed with your question.

*\*No feedback received\**

We'll move on to our next speaker. I request Mr Dharav Jamadar to kindly unmute your audio, switch on your video and proceed with your question.

**7) Mr Dharav Jamadar**-Greeted everyone and congratulated the Company for its performance during the year.

Query1- Majority insurance companies have high term premium that may be due to following factors like inflation adjustment, higher risk profiling in lower tier cities and also increasing reinsurance premiums. He wanted to know the thought process for the same trend, would it be continued, and to quantify the average hike that we can expect in this fiscal year?

Query 2- Does the management perceive that the same factors will stay volatile and unfavourable or can we expect some other factors to become prominent in the second-half of this fiscal year?

Query 3- Does the management think that increasing premiums would have a daunting effect on our top line, fearing already prevailing stiff competition? If not, is it an opportunity for us to improve our ROE which again has declined and have remained flat in last five years?

Query 4- What kind of outlook and approach does the Company have on margins front

Query 5- Does the management believe that there might be some tweak in budget for insurance sector as a whole which would help us to have a healthy growth in v and b which in turn will be helping us in improving our margins?

Query 6- Is the Company working on developing some new products which would be aiding us in protecting the profits as well as the market share?

Query 7- With leadership changing, what kind of life insurance company can the shareholders expect company to be by the end of this decade?

Query 8- Kindly share your views and guidance for our Company's future plans. And what pivotal role will our company play in nation building?

Thank you, Sir, for providing this opportunity.

**Chairman**-Thank you very much.



**Moderator**-Thank you Sir. I request our next speaker, Mrs Prakashini C Shenoy to kindly unmute your audio,switch on your video and proceed with your question.

\*No feedback received\*

I request Mr Rajesh Chenani to kindly unmute your audio,switch on your video and proceed with your question.

**8) Mr Rajesh Chenani**-Greeted the board and the shareholders. Thanked the Company Secretary for sending him a physical copy of the Annual Report on time.

Query1- Does the company have plans for increasing the promoter shareholdings?

Thanked the Company Secretary for giving him the opportunity to speak.

**Chairman**-Thank you very much.

**Moderator**-Thank you Sir. I now request our next speaker Mr Anil Parikh to kindly unmute your audio,switch on your video and proceed with your question.

**9) Mr Anil Parikh**-Thanked the secretarial team for assistance at various levels. Appreciated the Chairman and the CEO for their work.

Query 1- On page number 177, under maintained profitable growth there is a drop in business margins from 27.6% to 26.3% kindly give me your details on that.

Query 2- In India the penetration for insurance is at very low. So, what are your views as far as insurance is concerned in the future?

Query3- How well will our Dubai subsidiary will do in coming years?

He has supported all the resolutions proposed today.

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

**10) Mr Dinesh Bhatia**-Spoke in regional language

**Chairman**-Thank you Mr Bhatia.

**Moderator**-Thank you Mr Bhatia. I request our next speaker, Mr Manoj Kumar Gupta to kindly unmute your audio, switch on your video and proceed with your question.

**11) Mr Manoj Kumar Gupta**-Greeted everyone and gave suggestion regarding share split in either 2:1 or 5:1

Thanked the Company Secretary for excellent services provided including to enable him to join the meeting.

Mentioned that he strongly supports all the resolution.

**Chairman**-Thank you Mr Gupta.

**Moderator**-Thank you. I request our next speaker, Mr Kirti Shah to kindly unmute your audio switch on your video and proceed with your question.

**12) Mr Kirti Shah**-Spoke in regional language

**Chairman**-Thankyou

**Moderator**-I request our next speaker, Mr Mohit Duggal to kindly unmute your audio, switch on your video and proceed with your question.

**13) Mr Mohit Duggal**-Greeted everyone.

Query1- What is our most profitable product in terms of VNB margin? Could you provide specific details on its performance and the factors contributing to its profitability?

Query2- What strategies are we implementing to overcome the challenges?

Query3- What percentage of our 43% share in pension management as stated in the annual report is attributed to the national pension system? What would be the impact on our business if states decide to shift back to the old pension scheme? How are we preparing to mitigate any potential negative effects from such a policy change?

Query4- Can you outline these specific measures and technologies we use to combat such fraud and provide examples of their effectiveness?

Query5- Query regarding fraud risk management?

Thank you once again for your attention and for allowing me the opportunity to ask these important questions.

**Chairman**-Thank you very much.

**Moderator**-Thank you. I request our next speaker, Mr RajenderJamanadasSheth to kindly unmute your audio switch on your video and proceed with your question.

**14) Mr RajenderJamanadas Sheth**-Spoke in regional language

**Chairman**-Thank you very much.

**Moderator**-Thank you Sir. I request our next speaker, Mr Om Prakash Kejriwal to kindly unmute your audio, switch on your video and proceed with your question.

**15)Mr Om Prakash Kejriwal**-Suggested to continue the AGM in virtual mode for maximum participation of shareholders. Asked question with regard to tax regime and deduction under Section 80C of Income Tax.

**Chairman**-Thank you MrKejriwal.

**Moderator**-Thank you Sir. I request our next speaker, Mr Akhil Borkar, to kindly unmute your audio, switch on your video and proceed with your question.

**16)Mr Akhil Borkar**-Thanked Mr Prasad for giving him the opportunity to join AGM despite of last minute registration.

Query1- Given the significant capital allocation and investment in the digital and tech segment, how are we measuring its success and its tangible benefits or ROI?

Query2- How does the business ensure that the current risk mitigation and management framework is a proactive one or a reactive one? And if reactive, what strategic changes would have to be brought in by the business and how much that allocation is okay for the business to be made?

Query3- What about the employee turnover and attrition, especially at the mid senior level?

Query 4- Is the organization making any retention attempts. Is the remuneration low? And that's the reason, what forces the employees to leave the organization? And if that's so, is there, are there any plans for salary rationalizations at the, at the group level?

Query 5- In the name of loan or debt protection segment or vertical, why does bid the business interfere in the bank operations from the promoter group of loan disbursements? Isn't the directive from the RBI to banks about eligibility of an individual totally to be determined on financial health and not on the physical health? Even if someone has issues from the past? So, is it not, is it an ethical play? First of all, from the insurance business point of view? And are there any cases, lawsuits filed so far for this very reason, is what I wanted to know.

Also in the report, there's, there's a mention of, as a part of let's say, CSR or diversity inclusion and all, but when it comes to issuing policies to let's say, cancer survivors or these kind of segments of the, these kind of customer segments, it feels that the premiums and everything is made, is, is made to feel them excluded and not, not inspire them because they have survived some drastic incident in the past. So that seems to be contradicting. So yeah, these are all the questions. Thanks for the opportunity.

**Chairman**-Thank you.

**Moderator**-Thank you, Mr Borkar.

Now I request Mr Hasmukhlal Vora to kindly unmute your audio switch on your video and proceed with your question.

*No response received.*

I request Mrs Prakashini Shenoy to kindly unmute your audio, switch on your video and proceed with your question.

**17) Mrs Prakashini Shenoy-** Greeted everyone and thanked the Company Secretary for providing such an informative annual report well in time. Thanked the Board for recommending dividend and also for outstanding CSR activities.

Query 1- Whether new amendments in the Insurance act public regulations beneficial for the insurance companies how are we benefited from the changes proposed?

Query2- Where does the company rank in NPS?

Query3- Does Company has BCP in place?

*Requested the chairman to continue the AGM in virtual mode for maximum participation.*

*Said that she strongly and wholeheartedly support all the resolutions put forth in today's meeting.*

**Chairman-**Thank you.

**Moderator-**Thank you madam. So, with this we would like to confirm that we have given the opportunity to all the shareholders who have registered themselves as the speaker for the event. Thank you everyone and I hand over the session back to Chairman Sir. Thank you.

**Chairman-**Let me invite Ms Vibha Padalkar, Managing Director & CEO to answer your questions.

**Ms Vibha Padalkar, Managing Director & CEO said..**

Thank you, Keki! Good evening, shareholders. So, I'll go in the same order as the questions.

The first speaker was Mr Tamal Kumar Majumdar and he had quite a few questions. The first one was our growth outlook in financial year 2025 and also outlook in the tier two and three markets. So, we had previously said that industry is expected to grow in the range of about 12 to 15% and our aspiration will be to grow on the higher end which is around 15%. Happy to share that our Q1 results are out today and we have outpaced private industry growth and this strong start to the year despite many disruptions and market conditions just reinforces the overall opportunity in life insurance sector. As the current trends indicate we are likely to grow higher than 12% to 15% that was communicated earlier, and we will certainly strive to grow faster than the industry. Also, we are targeting absolute growth in value of new business (VNB) which will be primarily led by APE growth. We also see a lot of trade-offs due to the strong equity markets between margins and maximizing VNB growth as regards tier two and three markets and average ticket size. Tier two and three markets account for about two thirds of our business in terms of APE and about three quarters of our business in terms of number of policies and this also panned out in quarter one. Our ticket size, happy to share, expanded about 7% in quarter one. As regards GIFT City, we have completed about seven and half months of operation since its launch in mid-August 2023. The branch offers US dollar denominated health and life insurance solutions under the brand of HDFC Life International to non-resident Indians and the global Indian diaspora. For the financial year 23- 24, this Company's gross written premiums were about \$24.4 million and it registered a

42% growth year-on-year and this includes business from both reinsurance and direct insurance. As far as Exide life's status, the Company that we acquired, the merger was completed in financial year 2023. The performance is a lot better than what we had hoped for and the merger is now complete. Last year the agency channel acquired from Exide life grew much faster than the overall agency growth as far as quarter one product mix is concerned. Unit link products accounted for about 38%, non-par, savings for 35%, par products for 16%, term for six and annuities of 5%. We also observed strong growth in non-par, products and you'll recall that these were hit by the tax changes not long ago and this segment grew by about 41% year on year increase. The question on new business margins showing some softness. We have delivered consistent and predictable growth in value of new business, doubling this metric every four years. So, in line with this long-term strategy to continue doing this while we invest in people, technology and infrastructure, we will continue to aspire to double new business value over the next four years. Looking at the new product launches, we saw several. For e.g., Click 2 Achieve our first DIY non par savings solution was a huge success. Click 2 Protect Elite, a term plan that also we launched has been a great success. Others noteworthy plans are Sanchay Legacy, Sampoorna Jeevan, Smart Protect, which is a unit link plan and offers up to 100 times cover, to name a few. As regards bank assurance, it contributes about two thirds of our total individual new business. We have close to 300 plus partnerships across banks, NBFCs, MFIs, that's microfinance institutions amongst others. Our objective is to continue to tie-up with more as well as deepen our relationships with our existing partners. In a financial year 2024, our agency channel is ranked number two in the industry in terms of distribution and we have added over 80,000 agents during the year. As far as GST demand of over Rs 900 crore is concerned, we have deposited Rs 250 crore with the government under protest against the show cause notice received by us because that was issued against the demand of Rs 942 crore. The Company will continue its litigation and see the matter to a conclusion. As far as the sexual harassment cases are concerned, philosophically, what we are striving to do is to have or to foster a work environment that is free from discrimination and harassment, particularly sexual harassment that is aiming to protect the rights and dignity of our employees and others who come into contact with us. Predating the POSH Act, we have all the internal committees that are required as well as the Apex Committee. The 61 cases that were reported last year, of which, 46 cases were closed in the same financial year, and 15 cases were pending for closure at the end of the financial year. At HDFC Life, employee safety continues to remain our top priority.

Moving on to the next speaker Mrs CE Mascarenhas. She complimented us on a good ESG rating and inquired about doing it every year. So, our ESG plan is focused on strengthening the environment aspect along with continuous improvement in social and governance aspect. We also have enhanced the reporting on BRSR core indicators and readiness assessment for BRSR value chain requirements. We frequently do peer benchmarking and work on cross functional teams. This is to enhance our ESG program and disclosures. We've also undertaken several initiatives to help us deliver the sustainability ambitions of our organization as regards our fast-selling life policy. Some of our top products, like I mentioned just to name a few, is HDFC Life Click 2 Achieve as well as HDFC Life Sampoorna Nivesh, HDFC

Life Sanchay Advantage and so on. We have about 35% of our employees aged below 30 years and 98% below 50 years of age and as reported in the annual report, our overall attrition is 48.3% last year and voluntary attrition is 35.8%. On the question about online policies, our direct channel, including online, contributed about 11% to our distribution mix based on individual AP, and we had about 535 branches. As on 31<sup>st</sup> March 2024, our cross-sell ratio was healthy and now there's a significant potential for further growth with the merger of HDFC Limited with and into HDFC Bank and having consummated and that's something that we are collectively working on our subsidiaries and questions on that. HDFC Pension, one of our wholly-owned subsidiaries, is the fastest growing pension fund manager. This is under the NPS architecture, year-on-year growth of more than 70%. As Chairman had mentioned in his opening remarks, however, it is in early stages of growth given the size of retirement opportunity in India. We are optimistic that this kind of growth can be sustained for the next several years. As regards our another wholly-owned subsidiary viz., HDFC International Life and Re. Company the gross written premiums like I mentioned was 24.4 million with a 42% year-on-year growth. As regards Policy Bazaar and how it has affected our business, our extensive network of over 300 plus distribution partners that includes new ecosystem players like Policy Bazaar and PhonePe and we are not really competing, but it is our partner despite not always having the lowest price at some of these partners. Our strong brand and innovative products as well as customer centric approach helps us secure a substantial presence on all these platforms. On the question on IRDAI recent surrender value regulations and how this will affect our profitability, I would like to submit that we applaud our regulators for forward looking reforms, especially given that they are extremely pro customer. We did anticipate a gross impact of approximately 100 basis points on the Company's new business margins due to the said changes in the regulations on surrender value and we are reasonably confident of managing this by having conversations with our distributors and partners.

Moving on to speaker number three, Mr Gautam Tiwari had inquired in terms of our growth in Q1. We have achieved 29% growth based on individual weighted receive premium (WRP) and our market share has expanded by 70 basis points to 17.1%. Expansion in market share has also been driven by growth in individual number of policies that saw a stellar growth of 22% year-on-year compared with 14% growth for the private sector. We have also continued to be consistently ranked amongst the top three life insurers in India. As far as our ranking in terms of individual WRP, we ranked #2 in the private space and our market share was 15.4% on the new products this year. I have already answered that question and the last question in this section was on premium defaulters and how do we handle them. We have put in place a dedicated team looking after renewal collections. Their role is primarily to educate customers about premium dues and also for them to understand the reason for staying invested in life insurance policies. We help customers with various modes of payment across multiple communication channels.

Moving on to the next speaker, Mr Aspi Bhesania on physical AGM. This meeting was held through Video-conferencing in line with the applicable regulations and it also helps us reach out to our shareholders spread across the geographies than would otherwise be possible. As regards a subsidiary, I have already answered that question. On the way forward, I briefly

answered on the post the merger and HDFC Bank becoming our parent Company, one was in terms of cross sell opportunities. Also, our counter share continues to grow at HDFC Bank and I'm very happy to share that the counter share has touched 63% as against 56% as of last year. We have undertaken many initiatives so that we are able to service HDFC Bank's customers in the semi urban and rural areas. As far as the outlook on implementation of new IRDAI regulations is concerned, I have already answered that question.

Moving on to speaker number five, Mr Kaushik Sahukar on the price hikes for senior citizens, I would like to state here that pricing depends on multiple parameters based also on experience, both in terms of mortality, persistency and so on. These would be very targeted for certain types of policies, certain geographies and so on. There're no systemic price hikes across the customer cohorts. Additionally, the protection business coming from customers above 60 years is very small for us just given the senior age of customers and suitability to buy those kinds of products.

Moving on to speaker number six, Mr Hiranand Kotwani on the outlook on distribution mix we are known as a multi distribution channel company and we will continue to diversify distribution across channels and this is our stated strategy and our core strength. We will continue to invest in our proprietary channels such as agency and direct, and continue to offer individual and group customers access to all our range of products. As far as outreach to customers digitally, we have multiple digital channels including email, SMS, flash, RCA messages, WhatsApp, in-app notifications, video notifications and so on. More than 97% of our customers renewed digitally based on number of policies and 89% on premium basis. There was also a question on how do we check on frauds across organization. Fraud risk management is essential for governance aspect at HDFC Life and we continue to identify, measure, control and monitor fraud risk. This is a very core aspect of how we continue to have a very balanced approach to both growth as well as managing our quality of back book.

Moving on to the next speaker, Ms Lekha Shah in order to retain and attract talent. Our Company has certainly granted employee stock options. We do seek shareholder approval when we do so, and this is with the objective so that there is a long-term success of the Company by fostering a culture of accountability as well as dedication.

Our next speaker, Mr Dharav Jamadar enquired on again price hikes. I've answered that question also in terms of the outlook and also in terms of the Q1 numbers being very robust on almost every metric. I've also answered the question in terms of IRDAI surrender as well as on major risks. The last question was with regard to leadership change. Kindly share your views on guidance for our Company's future plans so there is no change in the management of the Company in recent times and Mr Deepak S. Parekh, past Chairman of the Company as mentioned by Mr Keki M. Mistry has stepped down and we thank him for his stellar contribution. It is business as usual now and like all of you have complimented in terms of secretarial team and other teams, we will continue to strive to be the best amongst the life insurers in India.

Moving on to the next speaker, Mr Rajesh Chenani on promoter holding and whether that is likely to go up to 75%. However, enabling provisions are something that IRDAI has helped

facilitate as regards on the stock price performance of the Company in light of other HDFC group companies. Over the last four years, despite facing open architecture and intense competition, our market share has steadily increased from 12.5% in FY'19 to 15.4% in FY'24 in the private sector and from 7.2% to 10.8% at an overall industry level. The stock price movement is more influenced by external factors. But the reason for quoting the market share increase was to say that the organization and the management team is doing all that it can to give consistent, predictable and sustained performance.

Moving on to the next speaker, Mr Anil Parikh, on the contraction of NBM in financial year 2024. This was largely because, if you recall, during the budget changes in financial year 2023, we had a higher premium of Rs 1000 crore. This was in the month of March and this was a one of a case. Our growth has been in line with industry. In terms of projections for our Dubai subsidiary, it is still relatively small, but like I mentioned, some of the growth parameters of revenues of \$24.4 million and a 42% year-on-year growth also the S&P global ratings. The assignment has been BBB insurance financial strength and that continues to hold as regards the low insurance penetration in India and our views. Yes, as Mr Keki M Mistry had mentioned in his opening remarks, there is still a very long roadmap and for us to take advantage of some of that opportunity.

On the next question, Mr Dinesh Bhatia and Mr Manoj Gupta, similar questions from both shareholders of share split from Rs 10 to Rs 5. We have noted your recommendation and while there is no particular discussion on the same, we will keep that on record.

Moving on to a next speaker Mr Mohit Duggal on the VNB margin, I've answered that question in terms of profitability on market share moving from LIC to the private sector. Private sector has surpassed market share of LIC for the first time in FY'16, post the regulatory changes in FY'11. So that has already happened. Based on individual WRP, private sector continues to outpace LIC since last nine years with market share of 67.8% in FY'24 as regards our percentage of market share 43% in pension management, yes, our subsidiary viz., HDFC Pension does enjoy this market share and also since NPS business is predominantly focused on non-government segment, so corporate salaried employees and individual Subscribers, any change in policy by state governments vis-a-vis NPS will have a marginal impact on the prospects of HDFC Pension and hence we remain fairly optimistic about its prospects. I've already answered question relating to frauds on fraud risk management.

Moving on to a next speaker Mr Rajender Sheth on steps for increasing business in tier three and rural areas. That continues in terms of our aspirations and we have made significant inroads wherein two third of our business comes from these segments.

On question from Mr Om Prakash Kejriwal on the new tax regime and the impact 85% to 90% of the business comes from higher ticket size or from customer segments who do not avail specifically of the tax benefit. So, we don't see this as a very large impact.

Mr Akhil Borkar asked about a few details ROI as well as what is the outlook on ROI. There's a different way of looking at insurance companies and it's more in terms of looking at how do we track versus embedded value and embedded value operating profit. Some of those



disclosures are there in our investor presentation. Also, we have talked about the evolving regulatory landscape and the complexity of compliance requirements. That is something that our teams are taking good care of and all the compliance disclosures are in the public domain.

As far as Mrs Shenoy's question is concerned, on some new amendments in the Insurance Act and IRDAI regulations. We do believe that if the composite license and some of the other enablers were to come through, this can be stood as opportunity for HDFC Life and could be beneficial on NPS. Her last question was on whether the Company has a business continuity plan in place and that is something that we do have a robust plan in place and it was tested at periodic intervals.

Thank you and I would like to hand it over to Mr Keki Mistry.

#### **END OF Q&A SESSION**

**Chairman** -Thank you, Ms Vibha. That was a very elaborate answer to all the questions. As I had mentioned earlier, those shareholders who have not casted 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 30 minutes. E-voting results, along with the scrutinizers report, will be declared and submitted to the stock exchanges within two working days from the conclusion of this meeting and shall also be disseminated on the Company's website. I authorize Mr Narendra Gangan, Company Secretary, to receive and declare the e-voting results and inform the same to the stock exchanges. The resolutions as set forth in the AGM notice shall be deemed to be passed today, subject to receipt of requisite number of votes in favour.

With your permission, I now call this meeting to an end. *(Meeting concluded at 5.05 pm. (IST) [including time allowed for e-voting at the AGM])*

Thank you for all your participation and let me wish all of you and your families' good health and happiness. Thank you.

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