

**Aditya Birla Sun Life
AMC Ltd.**



Aditya Birla Sun Life AMC Limited

Transcript of the 30th Annual General Meeting

Thursday, August 08, 2024

Transcript of the 30th (Thirtieth) Annual General Meeting (“Meeting/ AGM”) of Aditya Birla Sun Life AMC Limited held on Thursday, August 08, 2024 through video conferencing (“VC”) / other audio-visual means (“OAVM”) which commenced at 11:00 a.m. (IST)

Mr. A. Balasubramanian (Managing Director & CEO): A very Good Morning to all the shareholders and participants. I warmly welcome you all to the 30th Annual General Meeting of Aditya Birla Sun Life AMC Limited. In terms of Articles of Association of the Company, on behalf of all the Directors present, I request Mrs. Vishakha Mulye, Non-Executive Director of our Company to Chair this meeting and take the proceedings of the meeting ahead.

Mrs. Vishakha Mulye (Non-Executive Director, Chairperson of the Meeting):

Thank you, Bala.

Good Morning Ladies and Gentlemen. It is my pleasure to welcome you to the 30th Annual General Meeting of Aditya Birla Sun Life AMC Limited. We are conducting this meeting through video conference in compliance with the relevant circulars issued by the Ministry of Corporate Affairs and SEBI. The deemed venue for this meeting is the Registered Office of the Company. We confirm that the requisite quorum is present and accordingly, this meeting is called to be in order.

I thank all the shareholders, my colleagues on the Board, representatives of Statutory Auditors, Secretarial Auditors, Scrutinizers and Members of the Senior Management Team for joining this AGM.

I take this opportunity to introduce the Board Members of the Company present through video conference. We have:

- Mr. Sunder Rajan Raman, Independent Director and Chairman of Audit Committee
- Ms. Alka Bharucha, Independent Director and Chairperson of Stakeholders Relationship Committee and Nomination, Remuneration and Compensation Committee
- Mr. Navin Puri, Independent Director
- Mr. Ramesh Abhishek, Independent Director
- Mr. Supratim Bandyopadhyay, Independent Director
- Mr. Sandeep Asthana, Non-Executive Director; and
- Mr. A. Balasubramanian, Managing Director & CEO

I now request Bala, our Managing Director & CEO to take you through statutory and procedural matters and briefly update on the performance of the Company.

Mr. A. Balasubramanian: Thank you, Vishakha.

The AGM Notice and the Annual Report for the financial year 2023-24 has been sent electronically to all the shareholders registered with the Company or the RTA or the Depositories as on the Cut-off date.

The Notice convening this Meeting along with the Directors' Report is being considered as read. Further, since the Statutory Auditor's Report and the Secretarial Auditor's Report, neither contain any qualifications or adverse comments on the financial transactions nor highlights any matter having any adverse effect on the functioning of the Company, the same are not being read at this Meeting.

Your Company has made all feasible efforts to enable members to participate and vote on items being considered at this AGM. The facility of joining the AGM has been made available to all the members on a first come-first-serve basis.

As the AGM is being held through video conference, the facility for appointment of proxies by the members is not applicable and hence the register of proxies is not maintained. The register of directors and the key managerial personnel, the register of contracts or arrangements and other documents mentioned in the AGM notice including the annual compliance certificate for the ESOP Scheme of the Company are available for inspection electronically during the meeting.

Since the AGM is held through video conference, the resolutions forming part of the AGM Notice have already been put to vote through remote e-voting. In accordance with the Companies Act and the SEBI Listing Regulations, remote e-voting facility was provided to the Members to cast their votes from Monday, 5th August, 2024 to Wednesday, 7th August, 2024.

I will now take up the resolutions as set forth in the notice.

Item No. 1 relates to adoption of Standalone and Consolidated financial statements of the Company for the financial year ended 31st March 2024 and the Reports of the Board of Director's and Auditors thereon;

Item No. 2 relates to declaration of dividend of ₹ 13.50 per equity share of ₹ 5 each for the financial year ended 31st March 2024

Item No. 3 relates to the re-appointment of Mr. Amrit Kanwal as a Director retiring by rotation;

Item No. 4 relates to the re-appointment of S.R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a second term of five consecutive years;

Item No. 5 relates to the re-appointment of Mr. Navin Puri as an Independent Director of the Company for a second term of five consecutive years;

As the next agenda is pertaining to my re-appointment as Managing Director & CEO of the Company, I recuse myself from this agenda.

Mrs. Vishakha Mulye:

Item No. 6 relates to re-appointment of Mr. A. Balasubramanian as the Managing Director & CEO of the Company

Over to Bala.

Mr. A. Balasubramanian: Thank You.

I will now give a brief overview on the mutual fund industry and performance of the Company and the likely outlook, going forward. This will be followed by the Question & Answer session. The Members who have registered as Speakers will be called out in the order of Serial numbers assigned to them.

Before highlighting the broad economic outlook and providing an update on the Mutual Fund industry and your company's performance, I am happy to share that Aditya Birla Sun Life Mutual Fund, being one of the oldest private sector mutual funds in the country, established in 1994, is gearing towards the completion of three decades of its presence as one of the pioneers in the industry. Your Company feels proud to serve the growing needs of investors in the country and contribute to the larger success of the Mutual Fund industry as one of the highly committed and well-governed Mutual Fund players.

The global economy has performed better than expected even as uncertainty on the geopolitical front continues. There are looming political uncertainties with some critical elections yet to play out. The risk of recession appears to have decreased, and the global economy has shown resilience to higher interest rates.

The macroeconomic outlook for India remains positive. The Indian economy grew by 8.2% in FY24, higher than expectations, with the RBI projecting the real GDP growth rate for FY25 at 7.2%. Key contributors to economic growth include significant government spending on infrastructure, a thriving manufacturing sector, and strong domestic demand.

To reflect specifically on the Union Budget announced earlier, we feel it is in line with the vision of building a self-reliant Bharat, focusing on the critical drivers such as the MSME sector, agriculture, manufacturing and a strong impetus to job creation and skill development, that can propel the country to its next level of growth. The focus has been to keep the fundamentals strong, catalyze the pockets of opportunity, and not deflect from the fiscal glide path. The budget did not have any specific announcements for the mutual fund industry.

The increase in capital gains taxes may not dampen market sentiment or have any significant negative impact. The rationale is that the substantial wealth created in the country over recent years makes the additional tax burden relatively minor for most investors. Moreover, investors typically base their decisions on potential returns and economic growth rather than solely on tax considerations.

Indian equity market has consistently outperformed global counterparts reflecting the strong fundamentals of the Indian economy and the earning potential of the companies across sectors. We may see some earnings consolidation going ahead but with the country's strong structural drivers and economic fundamentals remaining intact, there will be continued participation in Indian equities. Given India's fiscal health one can expect rating upgrades for the country which would be advantageous for Indian bonds.

With respect to the Mutual Fund Industry

As of 31st March 2024, the Quarterly Average AUM reached Rs. 54.11 lakh crores growing by 34% on a year-on-year basis, as compared to Rs 40.49 lakh crores as on 31st March 2023.

The industry's SIP flows grew 35% year-on-year from Rs. 14,276 crores in March 2023 to Rs. 19,271 crores in March 2024. The total number of mutual fund folios stood at around 18 crores with an increase of 22% year-on-year with a unique customer base of around 4.5 crores.

The individual average AUM grew by 43% year-on-year from Rs 23.27 Lakh Crore to Rs 33.31 Lakh Crore and contributed to 61% of the total AUM. B30 cities with Average AUM of Rs 9.83 Lakh Crore accounted for 18% of the total AUM.

Despite experiencing substantial growth in recent years, the mutual fund industry in India is still significantly behind developed economies in terms of penetration. However, when we consider the rapid expansion of financial inclusion in India, we are optimistic about the future growth prospects of the mutual fund industry.

Coming to your Company's Performance

Anchored by unwavering values, a rich legacy and an exceptional team, your company has built on strong foundation and endeavored to be a formidable force in the industry. Your Company has navigated market dynamics with agility and innovation, focused on core strengths and made strategic moves to address areas of enhancement. The efforts have come together to build momentum which was visible from fiscal 2024.

In Q4FY24, your company's Overall Average Assets under Management, encompassing alternate assets, reached Rs. 3.46 lakh crores, reflecting a 21% year-on-year growth. Notably, Mutual Fund quarterly average AuM reached Rs. 3.32 lakh crores, with Equity quarterly average AuM standing at Rs. 1.52 lakh crores.

Your company's SIP Numbers during the year, has witnessed uptick moving from Rs. 1,003 crores in the month of March 2023 to Rs. 1,252 crores in March 2024, marking a 25% quarter-on-quarter increase. Your company has added around 12.5 lakh new SIPs, during FY24.

As part of endeavor to acquire new customers, your company have added approximately 11.50 lakh folios during the financial year, bringing total serviced folios to around 86 lakhs.

Individual investors, with an average AUM of Rs. 1.73 lakh crore, constitute 52% of total assets. Additionally, the contribution from B30 cities stands at 17.5% as of March 2024.

Your Company has brought sharper focus on the Passives and Alternative assets segments, aiming to strengthen its leadership position and enrich product offerings in AIF, real estate, and portfolio management services.

By establishing presence in GIFT City, your company aims to manage and attract overseas investments into India to meet the growing needs of NRI and foreign investors. Your Company is using GIFT City to launch a variety of innovative financial products, including sustainability, index-linked funds and thematic funds. These products are designed to meet the evolving preferences of global investors and tap into niche markets.

On the Passives front, as on March 2024, your company's passive assets stand at around Rs. 28,900 crores and have built a strong customer base of around 6.85 lakh folios.

Moving on to the financials, we are happy to inform you that your company has achieved highest ever profitability in FY24.

- Profit before Tax is at Rs 1008 Cr; up 27% Y-o-Y and Profit after Tax is at Rs 780 Cr; up 31% Y-o-Y.
- For FY24, Total Revenue is Rs. 1641 Cr; up 21% Y-o-Y.

We also wanted to update that your company has achieved Minimum Public Shareholding requirements as prescribed under SEBI Regulations. The Promoters of the Company i.e. Aditya Birla Capital Limited and Sun Life (India) AMC Investments Inc. had sold in aggregate 11.47% stake in the Company by way of Offer for Sale through stock Exchange Mechanism and through Open Market sale in accordance with the SEBI circulars on manners to achieve Minimum Public Shareholding.

Your company's focus will be on strengthening and expanding the retail franchise further, delivering consistent investment performance, providing the best-in-class customer service, and deepening financial inclusion in India by educating investors and distributors.

Thank you once again for your support.

We will now move to the question-and-answer session. Members who have registered themselves as speakers can express their views. The Moderator will call out the speaker's name, one at a time and will simultaneously unmute the audio of the speaker. Speakers may also turn on their videos while speaking. Once the speaker finishes, the Moderator will again activate the 'mute' mode. If someone is unable to use the video mode, they may still use the audio mode alone.

I request members to keep their questions brief, specific to the Company's performance during the financial year 2023-24 and not to repeat questions asked by the previous speakers. These will be separately addressed appropriately by the Company.

I would request the Moderator to call out the names of the speaker shareholders and monitor the time limit of three minutes for each speaker.

The Moderator then called out the Speaker Members.

Mr. Satish Shah, Ms. Lekha Shah, Mr. Santosh Saraf, Mr. Manjit Singh, Mr. Sarvjeet Singh, Mr. Sandeep Singh, Ms. Davinder Kaur, Mr. Vinod Agrawal, Mr. Gagan Kumar, Mr. Rajesh Chainani, Mr. Rajendra Sheth and Mr. Manoj Kumar Gupta, spoke at the Meeting.

While commending the Board and the Management on the performance of the Company during the year under review, the shareholders had some queries and clarifications inter-alia on the business operations of the Company and future growth plans.

The Moderator then handed over proceedings to Mr. A. Balasubramanian.

Mr. A. Balasubramanian:

Thereafter, Mr. A. Balasubramanian, replied to the questions of the shareholders.

The Members who had registered themselves as a speaker at the AGM but could not be given an opportunity to speak due to paucity of time or due to connectivity issues, are requested to email their queries, if any, to the Company Secretary and the same will be appropriately responded by the Company.

Ladies and Gentlemen, all the business set out in the Notice of this Meeting have been concluded. A 15 minutes window will be available for e-voting at the Meeting after which the Meeting will stand close.

The e-voting results will be announced within two working days from the conclusion of this meeting and will be disseminated on the website of the Company, KFinTech and the Stock Exchanges.

I request the Moderator to turn on the timer screen.

I thank you all for co-operating in the smooth conduct of this meeting.

The Meeting concluded at 12:03 p.m. (IST).

This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.

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