



Aditya Birla Sun Life AMC Limited

Transcript of the 29th Annual General Meeting

Friday, August 11, 2023

Transcript of the 29th (Twenty-Ninth) Annual General Meeting (“Meeting/ AGM”) of Aditya Birla Sun Life AMC Limited held on Friday, August 11, 2023 through video conferencing (“VC”) / other audio-visual means (“OAVM”) which commenced at 11:30 a.m. (IST) and concluded at 12:29 p.m. (IST), deemed to be conducted at the Registered Office of the Company at One World Centre, Tower 1, 17th Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

Mr. A. Balasubramanian (Managing Director & CEO): A very Good Morning to all the shareholders and participants. I warmly welcome you all to the 29th Annual General Meeting of Aditya Birla Sun Life AMC Limited. In terms of Article 84 of the Articles of Association of the Company, on behalf of all the Directors present, I request Mrs. Vishakha Mulye, Non-Executive Director of the 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 29th Annual General Meeting of Aditya Birla Sun Life AMC Limited. We are conducting this Meeting through video conference in compliance with the circulars issued by the Ministry of Corporate Affairs and SEBI.

I thank all the shareholders, my colleagues on the Board, our Auditors, and Members of the 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
- Mr. Navin Puri, Independent Director
- Mr. Supratim Bandyopadhyay, Independent Director
- Mr. Sandeep Asthana, Non-Executive Director; and
- Mr. A. Balasubramanian, Managing Director & CEO

In terms of MCA circulars and the Companies Act, 2013, participation of Members through video conference is being reckoned for the purpose of quorum. Since we have the requisite quorum present for the Meeting through video conference, I call this Meeting to order.

As the AGM Notice has been sent electronically to the Members, I take the Notice convening the Meeting as read.

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.

Members may note that this AGM is being recorded. Please do not disclose any sensitive personal information or personally identifiable information belonging to you.

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. Other applicable registers & returns and statutory documents including Annual Certificate under ESOP Scheme of the Company are available for inspection electronically during the Meeting.

In accordance with the circulars issued by Ministry of Corporate Affairs and SEBI, the AGM Notice together with the Annual Report for the financial year ended 31st March 2023 have been sent through email to the members whose Email IDs were registered. The AGM Notice and the Annual Report are also uploaded on the website of your Company.

Your Company has engaged KFin Technologies Limited, RTA of the Company, for providing the facility of joining this Meeting through video conference and the facility for remote e-voting and e-voting (Insta Poll) at this AGM.

In compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the facility of remote e-voting as well as e-voting at this AGM has been provided to all the members. The remote e-voting facility commenced on Tuesday, 8th August 2023 from 9.00 a.m. and ended on Thursday, 10th August 2023 at 5.00 p.m.

Those Members who did not cast their vote through remote e-voting may vote during the AGM by clicking on the "Vote" tab which is visible on their screens. Members who have already voted through the remote e-voting mechanism may attend the AGM, though they will not be able to vote again.

Mr. Vijay Kondalkar, Practicing Company Secretary who has joined this Meeting, has been appointed as the Scrutinizer for the e-voting process during the AGM and the remote e-voting process, to ensure that the voting is conducted in a fair and transparent manner.

Since there are no qualifications on financial transactions or matters which have any adverse effect on the functioning of the Company in the statutory auditors' report and secretarial auditors' report, the same are not required to be read, will now proceed with the agenda for 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 and therefore there will be no proposing and seconding of resolutions.

Item No. 1 relates to adoption of Standalone and Consolidated financial statements of the Company for the financial year ended 31st March 2023 and the Reports of the Board and Auditors thereon;

Item No. 2 relates to declaration of final dividend for the financial year ended 31st March 2023 and confirmation of interim dividend paid to the shareholders;

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

Item No. 4 relates to appointment of Mr. Supratim Bandyopadhyay as an Independent Director of the Company

I will now request A. Balasubramanian, MD & CEO to briefly share with you the overview of the mutual industry and performance of the Company and the likely outlook, going forward.

Mr. A. Balasubramanian: Thank you Vishakha. Let me begin with the Macro Outlook and update on mutual fund industry.

Global economy has surprised positively this cycle by not slowing down as severely as was feared. Universally, the view was tilted towards a global recession, but it has managed to hold up so far. Infact, the U.S. economy has been growing above trend and has been surprising resilient. While that is good news, it is not like global economy is out of the woods and firing on all cylinders. It will take some time to regain momentum. Uncertainty looms with the fight against inflation taking longer than anticipated. It continues to face inflationary pressures, supply chain constraints, tighter monetary policy, and geopolitical conflicts.

India is witnessing a Goldilocks situation with both supporting macro conditions, as well as a resilient economy. The overall positive sentiments for India and China's slow recovery have led to FIIs investing in India which has resulted in a rally in our markets. India has been a bright spot in a rather lackluster global backdrop with several global voices giving a bullish call on the Indian economy and its potential. Recently, Morgan Stanley upgraded its rating on India to overweight as it considers that the country is just at the start of a long-wave boom. There are many structural reforms that support such a unanimous view - from the ease of doing business to tax reforms to the production-linked incentives to spur manufacturing activity, India's fundamentals are changing for good. Our economy is intrinsically better placed being domestic demand drive, a young working population, and progressive reforms that are positive levers.

With a resolute internal ecosystem, the only probable risks we face are external spillovers. But otherwise, we are on a strong footing for a multi-year growth cycle.

With respect to the Mutual Fund Industry: The average asset under management grew 6% year on year to ₹ 40.5 lakh crore for the quarter ending 31st March 2023, while equity assets registered a growth of 11 percent to ₹ 20.7 lakh crore during the same time. The total number of mutual fund investors grew 12% to around 14.8 crores. The continuous promotion of Systematic Investment Plans (SIPs) has created significant momentum in monthly SIP contributions. As a result, Industry SIP book size stood at ₹14,276 crore in March 2023.

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: Aditya Birla Sun Life AMC has been on a remarkable growth trajectory since its inception over 28 years ago. Your Company is focused on growing the overall assets under management across different asset categories like equity, fixed income and alternative investments. Currently, your Company is one of the leading AMC with an overall asset under management of ₹ 2.86 lakh crore for the quarter ended March 2023, serving more than 8 million customers. Within this our MF AUM was at ₹ 2.75 lakh crore and Equity MF AUM was at ₹ 1.16 lakh crore. Over the course of the year, we introduced several initiatives with the objective of expanding our SIP book's size. As a result of this, our SIP book size has exceeded ₹ 1,000 crore for March 2023.

Over the past few years, the Company has prioritized the growth of the retail franchise and increasing wallet share from B30 cities, while also maintaining institutional contributions. These efforts have yielded positive results, with the retail franchise now contributing 52% of the overall AUM, and the contribution from B30 cities reaching 17% of the total AUM. Additionally, the Company has brought sharper focus on passives and alternative assets segments, aiming to strengthen its leadership position and enrich product offerings in AIF, real estate, and portfolio management services. On the financial front, in FY23, your company recorded a total revenue of ₹ 1,354 crore, with a profitability of ₹ 596 crore.

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.

I will now hand over the proceedings to our Chairperson, Mrs. Vishakha Mulye.

Mrs. Vishakha Mulye: Thank you, Bala.

We will now move on 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 2022-23 and not to repeat questions asked by the previous speakers. The answers to all the questions will be provided towards the end. Members may also share their queries and views during the meeting through the chat box facility. 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.

Ms. Celestine Elizabeth Mascarenhas, Mr. Manjit Singh, Mr. Rajesh Chainani, Mr. Badri Bajaj, Mr. Manoj Kumar Gupta, Mr. Davinder Kaur and Mr. Sandeep Singh, 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 Chairperson thanked the shareholders for the interest shown by them in the working of the Company and requested the Chief Financial Officer to make a note of the suggestions made by the shareholders. Thereafter, Mr. A. Balasubramanian, Managing Director & CEO replied to the questions of the shareholders.

Mrs. Vishakha Mulye: 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.

I now request Members who have not voted so far to cast their votes now. Members may note that the e-voting window will remain open for another fifteen minutes.

I request the Moderator to turn on the timer screen.

The Results of the voting will be announced within 48 hours from the conclusion of this meeting and will be disseminated on the website of the Company and the RTA. I hereby authorize the Chief Financial Officer to declare the result of the e-voting. Results will be informed to the Stock Exchanges.

The business of the Meeting is now complete, and I declare the Meeting being concluded post the Insta Poll. I thank you all for co-operating with me in the smooth conduct of this Meeting.

Thank you.

The Meeting concluded at 12:29 p.m. (IST).
