



**Transcript of the Thirteenth Annual General Meeting (“Meeting/ AGM”) of
Aditya Birla Capital Limited held on Monday, 31st August, 2020 at
<https://emeetings.kfintech.com>,
deemed to be conducted at the Registered Office of the Company –
i.e. Indian Rayon Compound, Veraval - 362 266, Gujarat through video conferencing
 (“VC”) / other audio-visual means (“OAVM”)
which commenced at 11:00 a.m. (IST) and concluded at 12:44 p.m. (IST)**

Good Morning Ladies and Gentlemen. I, Kumar Mangalam Birla, Chairman of Aditya Birla Capital Limited, have the pleasure in welcoming you to the digital avatar of the 13th Annual General Meeting of Aditya Birla Capital Limited.

I hope each one of you and your families are safe and healthy.

Let me begin by introducing the Directors and Key Managerial Personnel of the Company present at this Meeting:

1. Mr. Arun Adhikari, Independent Director and Chairman of the Nomination, Remuneration and Compensation Committee;
2. Mr. P H Ravikumar, Independent Director;
3. Mr. S C Bhargava, Independent Director;
4. Mrs. Vijayalakshmi Iyer, Independent Director and Chairperson of the Audit and Stakeholders Relationship Committee;
5. Dr. Santrupt Misra, Non-Executive Director;
6. Mr. Sushil Agarwal, Non-Executive Director;
7. Mr. Ajay Srinivasan, Chief Executive Officer;
8. Mrs. Pinky Mehta, Chief Financial Officer; and
9. Mr. Sailesh Daga, Company Secretary

In view of the continuing restrictions on movement and gathering of persons at a common venue consequent to the outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India and the Securities and Exchange Board of India have, by circulars issued in this behalf, permitted convening of Annual General Meetings through video conferencing or other audio-visual means during the calendar year 2020.

This Annual General Meeting is an opportunity for us to interact with our shareholders and since this Meeting is not a physical Meeting, it has enabled many more of our shareholders to participate.

This AGM is being convened in compliance with the MCA and SEBI circulars. Your Company has made all efforts under the circumstances to enable shareholders to participate and vote on items being considered in the AGM.

Based on registrations received, more than 30 shareholders - being the requisite number required to constitute the quorum - have joined the AGM and I call the meeting to order.

I thank all shareholders, my colleagues on the Board, representatives of the statutory and secretarial auditors and members of the management team for joining the AGM.

Your Company has engaged KFin Technologies Private Limited ("KFin"), the Registrar and Transfer Agent, for providing a platform for e-voting and for participation at the AGM.

All shareholders who have joined the AGM have, by default, been placed on 'mute' mode, to avoid disturbance and ensure smooth conduct of the proceedings. Speaker shareholders who have registered themselves, will be unmuted by the Moderator on their name being called out for speaking.

Shareholders seeking any technical assistance that may be required during the AGM can call the helpline number provided in the AGM Notice.

Since the AGM is being held through video conferencing, where physical attendance of shareholders is dispensed with, there is no requirement of appointing proxies. The register of proxies is therefore not required to be maintained nor made available for inspection.

In accordance with the provisions of the MCA and SEBI circulars, the AGM Notice together with the Annual Report for the year ended 31st March, 2020 have been emailed to shareholders who had registered their email IDs with your Company / KFin or the respective Depository Participant with whom their demat account is maintained.

The AGM Notice and the Annual Report are uploaded on your Company's website and on the website of the BSE Limited, the National Stock Exchange of India Limited and KFin.

The Register of Directors and Key Managerial Personnel, Register of Contracts, the Statutory Auditor's Report, the Secretarial Audit Report and a certificate from the Statutory Auditors confirming that the Company's Employees Stock Option Schemes have been implemented in accordance with the provisions of the SEBI Regulations as well as documents referred to in the AGM Notice are available for inspection electronically during the Meeting.

Since the AGM Notice dated 12th June, 2020 has already been dispatched, I am, with your permission, taking the same as read.

The Reports of the Statutory and Secretarial Auditors do not contain any adverse qualifications, observations, comments or any other remarks which may have any effect on the functioning of the Company and are therefore not required to be read.

In terms of the relevant provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, remote e-voting facility was made available to shareholders, to enable them vote on the resolutions set out in the AGM Notice.

The remote e-voting facility commenced at 9.00 a.m. on Thursday, 27th August, 2020 and ended at 5.00 p.m. yesterday i.e. Sunday, 30th August, 2020. Shareholders who have not been able to vote so far, can vote during the AGM by clicking on the button visible on their screen.

Shareholders who have already voted through the remote e-voting mechanism can attend the AGM, though they will not be able to vote again.

Mr. B. Narasimhan, Company Secretary, Proprietor, M/s. BN & Associates, has been appointed as the Scrutiniser for the remote e-voting as well as the voting to be done during the AGM.

Before moving on with the agenda for the Meeting let me briefly inform you about the items of business which form part of the Notice.

ORDINARY BUSINESS:

Item No.1 relates to the Adoption of Audited Financial Statements:

Resolution 1 (a) - To consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon;

Resolution 1 (b) - To consider and adopt the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon.

The aforesaid items form part of the Ordinary Business to be conducted at an Annual General Meeting. Approval of Members is, therefore, being sought for the same.

Item No. 2 relates to the appointment of a Director in place of Dr. Santrupt Misra who retires from office by rotation and being eligible offers himself for re-appointment.

Dr. Santrupt Misra, Non-Executive Director of the Company, is liable to retire by rotation at this Meeting in accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company and has offered himself for re-appointment.

The aforesaid item forms part of the Ordinary Business to be conducted at an Annual General Meeting. Approval of Members is, therefore, being sought for the same.

Let me now share with you some thoughts on the prevailing economic scenario and the performance of your Company.

COVID-19 and the associated lockdowns across countries have triggered a once-in-a-century crisis for society and the economy in 2020. This is a defining period in human and business history: one that will test the resilience and agility of individuals, societies, corporations and nations.

Given the uncertain environment, it is hard to be prescient in these times. But there is little doubt about one reality: companies with sound business fundamentals, deep consumer connect and a track record of winning in turbulent times will emerge as the new champions.

During these unprecedented times, your company, Aditya Birla Capital, truly reflected the Aditya Birla Group's focus on adaptability and nimbleness. Your Company was able to operate and grow even during the lockdown because it was prepared with its business continuity plans even before the nation-wide lockdown was announced. Back in mid-March, your Company was one of the first organizations to transition to work from home. That helped keep the employees and their families safe, while continuing to provide uninterrupted services to our clients. Overnight your Company was able to test its systems for remote working and then rapidly move to a complete work from home environment. This is reflective of the pace required in a world where the fast, agile and nimble will have an advantage over the slow and the tardy.

ABCL Performance

Your Company, through its subsidiaries, kept the focus on growth and continuity of business inspite of the pandemic. It continued its consistent delivery of profit, thanks to its diversified business portfolio and through its focus on balanced growth, liquidity management, deepening distribution, technology enhanced processes and cost control.

FY20 started on a strong note but the slowdown in the general macro-economic environment accentuated by COVID towards the end of the fiscal year impacted the annual performance. In Q1 FY20, our consolidated PAT grew by 27% YoY with strong growth across all the businesses. In the second quarter of FY20, while PAT surged 37%, the company started seeing headwinds in the mutual fund and lending businesses in terms of credit quality, lending opportunities and AUM growth. In Q3 of FY20, PAT was still up by 17% though the lending book saw a reduction as the company got more cautious about overall credit quality.

Despite the headwinds in the economy and the environment, the aggregate revenue at ABC for FY20 grew 9% year on year to over Rs. 18,000 Crores.

The Lending book in FY20 across the NBFC and HFC businesses stood at just under Rs. 60,000 crores, more than several mid-sized banks. More importantly, in a tough market where liquidity was not easily available, your Company raised Rs. 15,000 crore of long-term money at very competitive rates last year, while maintaining our "AAA" rating.

The Gross insurance premium across the health and life insurance businesses grew to Rs. 8,882 crore, making your Company a very significant insurer in the country. Furthermore, the health insurance business achieved the distinction of being the fastest growing Stand-Alone Health Insurer in the industry.

The Average AUM across the life insurance and asset management businesses stood at over Rs 3,00,000 crores in FY20, making us one of the largest fund managers in this country.

FY20 PAT at ABC grew by 6% over the previous year to Rs. 920 Crore, even as we made COVID related provisions in the last quarter. Adjusted for this exceptional provision, your Company would have grown PAT by 15% year on year.

I am also happy to share that your Company is currently a zero-debt company with liquidity available to fund growth. During the financial year 2019-20, your Company raised Rs. 2,100 Crore of equity capital through a preferential allotment to the Promoter and Promoter group as well as some marquee investors.

Q1FY21 Performance

The resilience demonstrated by your Company since the lockdown in the second half of March and the company's unabated commitment to remain ahead of the curve resulted in a strong performance in the first quarter of this financial year despite unprecedented business disruptions.

The consolidated profit after tax for Q1 FY21 grew 1.4 times over Q4 FY20 to Rs. 198 Crore. The consolidated revenue of the Company grew 9% year on year to Rs. 4,293 Crore.

The NBFC and Housing Finance companies raised over Rs. 1,500 Crore of long-term funds in Q1 with one of the lowest costs of borrowing. The lending businesses enjoy adequate liquidity for FY21, even under stress-tested scenarios.

Our Insurance businesses created new frontiers for themselves within the industry. The total gross premium of the life insurance and health insurance businesses grew 38% year on year to Rs. 1,936 Crore. The individual First Year Premium (FYP) for our life insurance business in Q1 grew 5% Y-o-Y, significantly ahead of industry which degrew by 23%. The gross written premium of our Health insurance business in Q1 grew 72% over the previous year, ahead of industry growth of 16% for Stand Alone Health Insurers.

The growth of our businesses even in such times indicates the deep connect we are establishing with consumers to solve their problems through our products & services.

In the spirit of growing our diversified portfolio in a balanced way, the other financial services businesses of the company also contributed handsomely to the financial performance. Their PBT on an aggregate basis grew 64% Y-o-Y. Our General Insurance broking business saw its PBT grow 20% Y-o-Y and the ARC platform is scaling up, with an AUM of Rs. 2,500 Crore.

Your Company through its subsidiaries restarted operations after the lockdown as swiftly as the transition to remote working. Today, about 91% of our branches are operational with strict safety and hygiene protocols and we remain focused on normalising operations.

Digital was always important to us and we found that our focus on adopting digital technologies gave us a competitive advantage when all business moved to being digital because of the pandemic. 91% of customers in Q1 were on-boarded digitally and the Company serviced more than 5 million customer interactions through its digital self-service channels. Your Company also set a few industry benchmarks during this period. For instance, investors in the AMC business can now extract their folio statements simply through a Voice enabled chatbot. We will continue to focus on technology as a key enabler to scale up our businesses while providing best in class experience to our customers and distributors.

Beyond today. Beyond numbers

Aditya Birla Capital has a clear purpose, a well-defined strategy, strong values, and a track record of consistent performance, demonstrated even in challenging economic conditions. This positions us well to navigate and thrive in the post-Covid world.

The key tenets of our strategy are increasing retailization across all lines of business, focus on value accretive product mix, broadening distribution, leveraging technology and focusing on cost optimization. Along with this, Aditya Birla Capital's diversified business portfolio and brand continues to add differentiated advantage to your Company.

Driven by this strategic intent, your company continued to acquire customers to get to 20 million active customers during the year. Aditya Birla Capital is using analytics in different areas, from improving products per customer to reducing fraud and wastage. Internally, our businesses also enjoy the benefits of cost synergy and the ability to leverage the broader ecosystems within Aditya Birla Capital and the Aditya Birla Group.

All these initiatives should become an important driver of growth for the organization.

Our People. Our Purpose.

I would also like to take a moment to talk about the workforce at Aditya Birla Capital. It is our people who are the cornerstone of our continued success. In FY20, our workforce grew to just over 21,000 across our businesses. Deepening our talent pool, ensuring succession pipelines, upskilling our people through training and strengthening diversity and inclusion are key areas of our focus. 76% of our employees are millennials, we have 26% of our workforce as women and we have embraced differently abled people as an integral part of the ABC family.

Our purpose at ABC is to help enable people to live fulfilling lives. We are in the business of helping people with their health and wealth needs which we know is top of mind for every human being now. People are concerned about their life and their health and our protection products help them achieve peace of mind. People are concerned about where to invest their monies and our investing solutions help them allocate their monies in the best way possible. People are concerned about their finances to achieve their goals and we have the financing options to help them do that. We are uniquely positioned as a single brand that can help people meet their money needs across their lifetime. What's more, we are able to provide good advice to our customers to be able to make the right choices. This crisis in that sense is an opportunity for us.

Conclusion

While the future remains uncertain, the history of the last century has shown us that every crisis: be it a World war, the Great Depression or the Global Financial crisis was followed by a period of strong growth, propelled by considerable innovation. Your Company is well poised to navigate the changing economic landscape and emerge stronger on the other side of this unprecedented crisis.

I thank you all for your continued trust and support.

The Chairman then moved on to the question and answers.

Some Members had registered themselves as speakers and some queries and suggestions had also been received. A chat box facility for posting queries and suggestions during the meeting was available to the Members, which would be separately addressed by the Company.

Since the resolutions forming part of the Notice had already been voted on through remote e-voting, in accordance with the provisions of the Secretarial Standards relating to general meetings, there would be no proposing and seconding of the resolutions.

The Moderator then called out the Speaker Members.

Mr. Shirish Bhogilal Vora from Mumbai, Mr. Pramod Sunderlal Shah from Mumbai, Mr. Dinesh Amrutlal Kotecha from Mumbai, Mr. Aliakbar Saifuddin Molai from Mumbai, Mr. Shravan Vohra from Mumbai, Mrs. Lekha Satish Shah from Mumbai, Mr. Gautam Kedarprasad Tiwari from Mumbai, Mr. Mahesh Chain Khubchandani from Mumbai, Mr. Satish Mohanlal Jethwani from Veraval, Mr. Dinesh Gopaldas Bhatia from Mumbai, Mr. Praful Chavda from Hyderabad, Mrs. Homayun B Pouredehi from Mumbai, Mr. Adil Polad Irani from Mumbai, Mr. Sarbananda Gattani from Kolkata, Mr. Abhishek J from Chennai and Mr. Santosh Kumar Saraf from North 24 Parganas, West Bengal, 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 Chairman thanked the shareholders for the interest shown in the working of the Company, and summarised his replies to the queries.

He thereafter informed the shareholders that the e-voting window would remain open for another fifteen minutes and those who have not voted, could do so now.

The Chairman also informed the shareholders that the voting results will be announced on or before Wednesday, 2nd September 2020 and shall be available at the Registered Office of your Company and also be uploaded on your Company's website and those of the stock exchanges and KFin.

The business of the meeting being complete, the Chairman declared the meeting closed.

He once again thanked the shareholders for their participation and asked them to take care of themselves and their families and stay safe and healthy.

The Meeting concluded at 12:44 p.m.(IST).

Aditya Birla Capital Ltd.

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