

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Transcript of the 20th Annual General Meeting held on August 7, 2020 at 3.30 p.m. IST through Video Conference (VC)/ Other Audio Visual Means (OAVM).

Welcome address by Ms. Vyoma Manek, Company Secretary

Good afternoon, welcome all to the 20th Annual General Meeting (the AGM) and the first AGM held through the video conference (VC) or other audio-visual means (OAVM). We believe that all our Members are participating in the Meeting preferably through devices such as laptops or desktops for better experience and have stable Wi-Fi or LAN connection to avoid any kind of technical disturbance. For smooth conduct of the Meeting, lines of all the Members would be unmuted who have registered while they are sharing their views. Further the transcript of the Meeting shall be made available on the website of the Company as soon as possible after the conclusion of the Meeting. I understand from the representatives of NSDL (National Securities Depository Limited) that we have sufficient Members to constitute the quorum.

Now I request our Chairman, Mr. M. S. Ramachandran to proceed with the Meeting. Thank you Sir, over to you.

Mr. Ramachandran: Thank you Vyoma. On behalf of the Board of Directors I welcome you to the 20th Annual General Meeting of the Company. I would like to take this opportunity to express my sincere thanks to all the shareholders for showing their confidence in our Company. I must share that all the efforts feasible under the current circumstances due to the outbreak of Covid-19 pandemic have been made by the Company to ensure effective participation by the Members of the Company and for voting on the items set out in the Notice. It is now 3.30 pm IST and I understand that requisite quorum as per Companies Act, 2013 being present, I declare the Meeting as validly convened. I take this opportunity to introduce you to the other Directors of the Company attending the AGM through the VC or OAVM. First the independent Directors namely Mr. Dilip Karnik.

Mr. Dilip Karnik: I am attending from my residence at Pune.

Mr. Ramachandran: Mr. Dileep Choksi.

Mr. Dileep Choksi: Thank you Mr. Ramachandran, I am Dileep Choksi, an independent Director, I am attending the Meeting from my residence in Mumbai.

Mr. Ramachandran: Thank you Mr. Choksi. Mr. R. K. Nair.

Mr. R. K. Nair: Thank you Mr. Ramachandran, I am R. K. Nair, independent Director speaking from my residence in Mumbai.

Mr. Ramachandran: Thanks. Ms. Vibha Paul Rishi.

Ms. Vibha: Hello, I am Vibha Paul Rishi joining from my residence in Gurgaon, I hope everyone is keeping healthy and safe, thank you.

Mr. Ramachandran: Thank you Vibha. Now the non-executive Directors nominated by ICICI Bank Limited, Mr. Anup Bagchi.

Mr. Anup Bagchi: Thank you Chairman, I am Anup Bagchi and I am participating in this meeting from Mumbai from my office.

Mr. Ramachandran: Thank you Anup. Mr. Sandeep Batra.

Mr. Sandeep Batra: Thank you Mr. Ramachandran, I am Sandeep Batra participating from my office in ICICI Bank in Mumbai.

Mr. Ramachandran: Thank you. Now the non-executive Director nominated by Prudential Corporation Holdings Limited, Mr. Raghunath Hariharan.

Mr. Raghunath Hariharan: Thank you Mr. Ramachandran, good afternoon.

Mr. Ramachandran: Thanks Raghunath. Mr. R. K. Nair, Chairman of the Board Audit Committee, Mr. Dileep Choksi, Chairman of the Stakeholders Relationship Committee, Mr. Dilip Karnik Chairman of Board Nomination and Remuneration Committee are present. Mr. Sudhir Pillai, Partner - Walker Chandiook & Co. LLP and Mr. Kapil Goenka, the authorised representative of B S R & Co. LLP, the joint statutory auditors of the Company are present through the VC or OAVM. Mr. Omkar Dindorkar, authorised representative of M/s. Makarand M. Joshi & Co., the Secretarial Auditor of the Company, is present through the VC or OAVM.

Mr. Sandeep Batra retires by rotation and being eligible, has offered himself for re-appointment at this Meeting. The re-appointment is in the interest of the Company as Mr. Batra has in-depth knowledge and rich experience in the field of insurance, banking and finance.

I apologies for an oversight. I forgot to introduce the Managing Director & CEO, earlier, Mr. N. S. Kannan.

Mr. N. S. Kannan: Thank you Sir and good afternoon ladies and gentlemen. I am N. S. Kannan, I am participating in the Meeting from Mumbai and I join the Chairman in welcoming you all to this Meeting, thank you.

Mr. Ramachandran: Mr. Sandeep Batra retires by rotation and being eligible has offered himself for re-appointment at this Meeting. Further the Board of Directors have approved the proposal to re-appoint me as an independent Director of the Company for another term of five years which is being put up for your consideration. As required under Regulation 13 of the Securities and Exchange Board of India Share Based Employees Benefits Regulation 2014, the certificates of Walker Chandiook & Co. LLP, a statutory auditor of the Company has been obtained by the Company. The certificate, the statutory registers and any other documents referred to in the Notice and the explanatory statement are available with the Company and can be inspected till today. Members seeking to inspect such documents can send an email to investor@iciciprulife.com.

Coming to the business of the Meeting, the Notice for this Annual General Meeting dated June 11, 2020 was e-mailed to Members and a public notice to that effect was published in the newspapers. With your permission I take the Notice convening this Meeting as read.

The Auditors Report on the financial statements of the Company for the year ended March 31, 2020 did not have any qualifications, observations or comments from the auditors for the financial transaction or matters, which have any adverse effect on the functioning of the Company. In view of the same, in accordance with the Companies Act, 2013, there is no need to read the Auditors' Report.

For the benefit of the shareholders, we have arranged for an audio-visual presentation which will be screened now.

Audio-visual played

Life is full of dreams and aspirations, dreams of a bright future, dreams of a happy and secure tomorrow. Today these dreams need the assurance of growth and protection so that they remain secure and take the shape of tomorrow giving wings to millions of such dreams. We at ICICI Prudential Life Insurance continually endeavor to serve the protection and long terms savings of all customers with sensitivity. We have always kept our customers at the center of everything we do. From our long term savings plans to protection plans we ensure that we cover our customers at every stage of their lives giving them the right balance of growth and protection. At ICICI Prudential Life we always strive to ensure that we are never too far from our customers especially when they need us the most. To ensure this we have successfully identified multiple touch points so that our customers can reach us as per their convenience.

We have also embraced technology to serve the needs of our customers better, both today and tomorrow, be it understanding the best products that suit their needs or providing hassle free buying experience or raising a claim, our customers can do all of this anytime, anywhere in just a few simple steps. At the same time we are also enabling our business teams and partners with various digital platforms that leverage the latest technological advancements. These include interactive tools for digital sales and service, video-based underwriting, robotic enabled issuance and AI based conversational tools. We aspire to double the absolute VNB of financial year 2019 in three to four years with our 4P strategy of Premium Growth, Protection Business Growth, Persistency Improvement and Productivity Enhancement while ensuring that customer centricity continues to remain the backdrop of everything we do. Our focus on creating value and providing customer satisfaction has been the reason for our overall performance.

The focus on protection and savings driven solutions has helped in improving the value of new business (VNB) to ₹ 16.05 billion in financial year 2020 with a five-year CAGR (compound annual growth rate) of 42.8%. The VNB margin for Financial Year 2020 was 21.7%. Our continuous focus on customer centric products has delivered an annualized premium equivalent, APE, of ₹ 73.81 billion in financial year 2020 with a five-year CAGR of 9.2%. Protection APE has grown to ₹ 11.16 billion in financial year 2020 with a five-year CAGR of 71.1%. The 13th month persistency ratio, one of the most important parameters for quality of business, stands at 86.8% for financial year 2020. Our cost ratio for Financial Year 2020 was 15.9%, within this the cost ratio for the savings business was 10.4%. The embedded value EV stood at ₹ 230.30 billion at March 31, 2020 with a RoEV of 15.2%. Our assets under management stood at ₹ 1,529.68 billion and our solvency ratio was 194.1% as at March 31, 2020. We continue to have zero non-performing assets (NPAs) in 20 years of our existence.

We have a long standing commitment of giving back to society and supporting the underprivileged through our CSR initiatives. Protecting lives and livelihoods forms the cornerstone of our CSR programs and we undertake a wide variety of CSR initiatives in the areas of healthcare, education, skills and livelihoods. We have partnered with ICICI Foundation in the areas of skill development and livelihood generation for underprivileged youth through the ICICI Academy for skills and for the underprivileged population in rural areas through the rural livelihood initiative. We have partnered with eminent healthcare institutions to support the treatment of underprivileged children and young adults suffering from critical illnesses like cancer and heart diseases. Through our consumer awareness and education program "Listen to your Body" we have raised awareness on proactive health management and financial protection.

We also support other initiatives like the holistic development of underprivileged children by providing scholarships and empowering them with skills to ensure a sustainable livelihood. To support relief and rehabilitation of people affected by the Covid-19 pandemic, we have contributed ₹ 100 million to the PM Cares Fund. Our employees have also made a voluntary contribution of ₹ 26.5 million to the PM Cares Fund. We have also shown support by providing ventilators to public hospitals. Further ICICI Foundation along with the ICICI Group Companies is supporting frontline government hospital workers and public servants by providing masks, sanitizers, personal protective equipment, PPE kits, thermal scanners and ventilators. At ICICI Prudential Life Insurance we take continuous efforts to walk the extra mile so that we meet the needs of our customers today and give their dreams the wings of a secure tomorrow.

Audio-visual ended

Mr. Ramachandran: I would like to inform you that pursuant to the Companies Act, 2013 read with relevant Rules, the Members had the opportunity to exercise their voting rights through remote e-voting for the following items of business to be transacted at the AGM.

The **first** one is to adopt standalone and consolidated audited revenue account, profit and loss account and receipts and payments account of the Company for the financial year ended March 31, 2020, and the Balance Sheet as at that date, together with the Reports of the Directors and Auditors.

The **second** resolution is to appoint a Director in the place of Mr. Sandeep Batra, who retires by rotation and, being eligible, offers himself for re-appointment.

The **third** one is to approve the remuneration of the joint statutory auditors of the Company in connection with the audit of the accounts of the Company for the financial year 2020-21.

The **fourth**, to approve the remuneration payable to Mr. N. S. Kannan Managing Director and CEO, with effect from April 1, 2020.

The **fifth**, to approve the remuneration payable to Mr. Puneet Nanda, wholetime Director, designated as Deputy Managing Director, on a proportionate basis for the period effective April 1, 2020 to June 14, 2020.

I would now request Mr. Kannan to take up the next two agenda items.

Mr. Kannan: Thank you sir. Item number **six** is to re-appoint Mr. M. S. Ramachandran as an independent Director of the Company for a second term of five consecutive years and item number **seven** is to approve continuation of directorship of Mr. M. S. Ramachandran as an independent Director of the Company, during the re-appointed term as he had attained the age of 75 years.

I would now request the Chairman, Mr. Ramachandran, to take over the proceedings of the meeting. Thank you.

Mr. Ramachandran: Thanks Kannan. The remote e-voting facility was extended to all the Members of the Company as on July 31, 2020, being the cut-off date. The remote e-voting period was available from 9.00 am IST on August 3, 2020 till 5.00 pm IST on August 6, 2020. The Company has engaged National Securities Depository Limited to provide the e-voting facility. We are also extending the facility of electronic voting to the Members attending the Meeting who have not already cast their vote by remote e-voting. Members eligible to vote may exercise their right to cast their votes through e-voting system by following the same procedure as that of the remote e-voting. The e-voting system will be available for 30 minutes after the conclusion of this Meeting.

Ms. Ashwini Inamdar, representing Mehta & Mehta, Practicing Company Secretary is a scrutinizer for the remote e-voting as well as for the electronic voting being provided at the Meeting. I now request the Members to give their suggestions or seek clarifications or ask any questions, on the agenda items set out in the Notice. I understand that Members desirous of speaking have already registered as speakers. With due respect to other speakers and time I request each speaker to be brief and restrict their comments to three minutes and pertaining to the Agenda of the Notice.

Ms. Vyoma: Thank you Sir. We have a list of Members who have registered to share their views. Trust Members would have ensured availability of all technical support as mentioned earlier during the Meeting, including the device with a camera or webcam along with a good network to avoid any disruption while you are participating in the Meeting with that device. I would request them to come over, when I call out their names, to share their views or ask the question pertaining to the Agenda of the Notice. I would now request Mr. Mukesh Chandiramani to first share his views.

Mr. Siddharth is the moderator for this session.

Moderator: Ms. Vyoma that shareholder is not yet present, we can directly go to Ms. Lekha Shah.

Ms. Vyoma: Thank you Siddharth, please connect to Ms. Lekha Shah.

Moderator: Sure. Ms. Lekha Shah, you are on unmute now, may I request you to turn on your video please and you may proceed with your speech.

Ms. Lekha Shah: Hello, can you hear me sir?

Moderator: Yes, we can hear you.

Ms. Lekha Shah: Respected Chairman Sir, Board of Directors and my fellow Members, good afternoon to all of you, myself Lekha Shah. I am very much thankful to our Company Secretary department for extending very good investor services and also sending me email well in time which is full of knowledge, facts and figures in place. Due to pandemic Covid-19 we all are facing crisis and have to stay home. Every year we used to attend our shareholder meeting personally. This year we are meeting for our AGM over video conferencing, but I hope that next year we will definitely meet personally. Sir, I would like to ask you questions, are we having any specific policy covering Covid-19. My second question is whether the policyholders were given extension of time for paying the premium during Covid-19. Sir, I have confidence that with your vision and determination you will lead our Company to greatest heights. I wish all the success and I support all the resolutions. Thank you Sir.

Ms. Vyoma: Thank you Ms. Lekha Shah. Siddharth, can you just check if we have Mr. Mukesh Chandiramani, Ms. Hutokshi Sam Patel, Mr. Irshad Yunus Mody or Mr. Anil Kumar Poddar? They had registered before.

Moderator: Yes, I am just checking. No Vyoma, they have not yet joined. So we can proceed with Ms. Prakashini Shenoy. Ms. Prakashini Shenoy you are on unmute, may I request you to please turn on your video and you may proceed with your speech. I think there is some network issue on her side.

Ms. Vyoma: Siddharth try and see if you can connect Mr. Ganesh Shenoy. Siddharth can you just try if you can connect to Mr. Tamal Kumar Majumdar.

Moderator: Vyoma, he has not joined.

Ms. Vyoma: Mr. Vinod Agarwal?

Moderator: Yes Vyoma. Mr. Vinod Agarwal you are on unmute, may I request you to please turn on your video? Sir, you can start your video.

Mr. Vinod Agarwal: Yes, I have started my video. I am Vinod Agarwal, I am calling from Mumbai. I have been attending your AGM since past several years. Respected Mr. Ramachandran, Chairman, Mr. Kannan, Managing Director & CEO and other Directors of the Company, I compliment the Company for working so hard during Covid-19 times. I will compliment the Company for settling the claims within 48 hours. I had my claim settled with the Company within 48 hours when I needed my health insurance policy which was a very good thing and I compliment the Company for that. Now my query is that due to Covid-19 there are no physical contacts and movement of people, so now agents cannot go to prospective clients and get premiums. Have you seen any fall in premium collection during the first quarter of 2021 and the persistency ratio for 13 months, has it come down in the first quarter of 13 month persistency for Q1-FY2021. Other query is that due to Covid-19, unfortunately a lot of people have died, have we found extra claims due to the pandemic, say the Company was expecting one's life expectancy would have been 70 years and a person dies at about 50 years, so now the premium collection goes down by 20 years and one has to make a payment early, so any of such things affects the Company's profitability. What would be the effect of such claims? I support all the resolutions of the Company, I compliment Vyoma Manek and her team for making such a colorful and exhaustive Annual Report in Covid-19 times when most of the people were working from home and having less staff. I hope, the next year, the AGM will again be a physical AGM. By the way, I would like to know what is the saving of this AGM through virtual meeting against a physical meeting which we normally have and Sir you have reduced the dividend this year even after the dividend payout tax has been removed. I hope you will make some extra interim dividend during the year coming by. I compliment the Company for having ₹ 73 billion of APEs in which ₹ 62 billion is for saving link and 11.14 is for pure protection and 86% persistency for your policy of 13 months and solvency ratio 194% which is very good Sir. I compliment the Company and wish the Company all the best for coming years to come. Thank you.

Ms. Vyoma: Thank you Mr. Agarwal, thank you so much Sir. Siddharth, can you check if Mr. Santosh Kumar Saraf is there.

Moderator: Yes, he is there, I am just adding him. Mr. Santosh Kumar Saraf you are on unmute now, may I request you to turn on your video please and you may proceed with your speech.

Mr. Santosh Kumar: Can you hear me?

Ms. Vyoma: Yes Mr. Saraf, thank you so much.

Mr. Santosh Kumar: Can I speak in Hindi?

Ms. Vyoma: Absolutely sir.

Mr. Santosh Kumar: Respected Chairman, other Members and my brothers and sisters. I am meeting you all during the Covid-19 pandemic. I feel very bad about the Covid-19 but because of that we have a virtual meeting today and I got an opportunity to speak. I would like to say the Company has shown a good performance and they have a good group. I have been a shareholder of ICICI Bank since long. Last year you had given an interim dividend of ₹ 0.80, do you have any plan to give any dividend for this year. Second thing is I want to thank the management of the Company for winning the 12 award, this award is given to those companies that perform. Now there is a Covid-19 pandemic going on, our income has reduced a lot, so I want to know in order to tackle this income problem what steps are taken by the management. The government has allowed Covid-19 insurance, what benefit will we have this year, how much business can we get? Since salaries have been cut by 30% everywhere, I want to also ask has the management team, which includes the Director and the staff, thought about reducing the salary of the Director. In order to prevent big loss by the Company, they should reduce their salaries too because you cannot cut the salary of the middle class employees since they are already having a tough time to make both ends meet, so you should pay attention to that. There are 14,630 employees, in that 26% are female employees, so the percentage of females is very less. Can we increase this percentage in our insurance Company because women are quite smart in business also. You have written for disability employees but you do not keep the record, I think this is wrong, you should keep a record because you have to give some special facility for the disabled employees. Suppose they do not have legs then you have to give them a wheelchair, so you have to keep record to provide them with the facility. The other person had asked about the difference in cost between physical meeting and virtual meeting, I will not go into that. I would request you that if you keep a physical meeting then you should keep video conference also because when I went to Bangalore to attend Infosys meetings in June, they do physical meeting along with video conference, so those who are staying outside can also attend the meeting by video since they cannot come to Bangalore every time. There is no hard and fast rule in this, it depends on the Company and can take that decision. So, I would request you for that so that next time I also get a chance and all of you stay safe, I wish the Covid-19 pandemic would end soon, no situation is here to stay, it will change with the season. Thank you, Jai Hind, Jai Bharat, Jai Shri Ram.

[Mr. Santosh Kumar Saraf had shared his comments and views in Hindi, and the above transcript is an English translation of the same.]

Ms. Vyoma: Thank you Sir, thank you very much. Siddharth are you there?

Moderator: Yes, next is Mr. Yusuf Rangwala. Mr. Yusuf Rangwala you are on unmute now, may I request you to turn on your video please and you may proceed with your speech.

Mr. Yusuf Rangwala: Hello, can you hear my voice?

Ms. Vyoma: Yes, we can hear you.

Mr. Yusuf Rangwala: Respected ICICI Prudential and its team for preparing excellent during the time of Covid-19, the balance sheet is very colorful, very excellent and very knowledgeable also. Last year Company had given ₹ 0.80 dividend per equity share. Sir, this year what dividend is there because I haven't come to know whether this year dividend has been declared or not. Sir, we are in the business of the medical insurance, health insurance and Sir we are doing scooter insurance also and car insurance. I am the shareholder of all the group companies of ICICI and all the group companies are doing excellent and I am very happy with all our group companies. Sir, previously, you had kept a speaker analyst meet, after this Covid-19 if possible in the month of November or December so that we can have a chat and can discuss with you. Nothing more to add, coming is the festival on 15th August, my best wishes for 15th August. With the help of Ganesh Chaturthi, our Company will grow and it will come in very good structure and you will reward us in good structure. I will end my speech saying thank you to the Madam for giving me the team which have done excellent work in Covid-19. They have given us a chance, that is very good and it is very excellent Madam and I pray in this Covid-19 please take care of yourself. Thank you very much Sir. Jai Hind and I end my speech here, thanks very much Sir.

Ms. Vyoma: Thank you Mr. Yusuf. Siddharth are you there? Can you see if Mr. Anil Parekh is there after Mr. Yusuf or if any other Member who had not been able to join earlier if they would be able to join just keep an eye on that too. In the meanwhile if Mr. Anil Parekh is there do connect him.

Moderator: Vyoma he is not there, even Mr. Aspi Bhesania is also not there. We will just try if Ms. Prakashini Shenoy is able to speak.

Ms. Vyoma: Sure.

Moderator: Ms. Prakashini Shenoy you are on unmute, may I request you to please turn on your video and you may proceed with your speech. Ms. Prakashini can you hear us? I think she is not able to connect with us.

Ms. Vyoma: Mr. Aspi Bhesania, Mr. Anil Parekh Mr. Mukesh Chandiramani or Ms. Hutokshi Patel, have they not been able to join?

Moderator: No, they have not yet joined. I will just check the list again.

Mr. Kannan: Siddharth you can check again for others.

Moderator: Yes Sir, we are checking. Vyoma we are checking, just a second.

Ms. Vyoma: Siddharth if you are able to check, we will request other Members to bear with us because a few of us are still trying to connect. Apologies for this and thank you for being with us.

Moderator: Vyoma, we have one more shareholder Mr. Asif Mody, I am allowing him.

Ms. Vyoma: Okay, sure.

Moderator: Mr. Asif Mody you are on unmute now, I request you to please turn on your video and you may proceed with your speech.

Ms. Vyoma: Do I address you as Mr. Irshad Mody?

Mr. Asif Mody (Mr. Irshad Mody): Yes, correct.

Ms. Vyoma: That is great, thank you Sir, you are audible if you can turn on your video as well and share your views, yes we can see you, thank you very much, please go ahead. We could hear you, if you could please continue. Mr. Mody?

[Mr. Irshad Mody, is not able to connect then]

Siddharth can you just try and request or rather call him or just dial him? We will have his mobile number please.

Moderator: Okay, we will do that. Vyoma. I just spoke to Mr. Mody, I think there is some constraint with his network, so we are not able to hear him, so he will join from the webcast link and then there he can post his questions. So we can move forward.

Ms. Vyoma: Do you have any other speakers?

Moderator: I will check and let you know.

Ms. Vyoma: Sure.

Moderator: Vyoma, we do not have any more speaker shareholders.

Ms. Vyoma: Do you want me to read out the list once again for you to confirm or you are sure about it?

Moderator: If you can just read out.

Ms. Vyoma: Yes, I will read out. Those who have not been able to speak are Mr. Mukesh Chandiramani, Ms. Hutokshi Patel, Mr. Anil Kumar Poddar, Ms. Prakashini Shenoy, Mr. Ganesh Shenoy, Mr. Tamal Kumar Majumdar, Mr. Anil Chumbaklal Parekh and Mr. Aspi Bhesania. We have not heard from them, am I correct?

Moderator: Yes.

Ms. Vyoma: And Mr. Irshad Mody is not able to connect and he will join and see if he wants to share his views through the web chat.

Moderator: These Members have not joined.

Ms. Vyoma: Okay Siddharth. Thank you all, I think we believe we have heard views from all and have waited even for a few to join in. I would request Mr. Ramachandran to take over the proceedings now.

Mr. Ramachandran: Thank you Vyoma, I will request Mr. Kannan, the Managing Director and CEO to respond to your questions.

Mr. Kannan: Thank you Chairman. Good afternoon all the shareholders and thank you for joining the Meeting today on the audio-visual platform and thank you so much for waiting patiently as we gave time for the shareholders to ask their questions. At the outset, I do hope all of you and your families are staying safe and healthy amidst this pandemic. I thank the speaker shareholders for their views as well as constructive suggestions. I also have a bunch of questions which have been posted by the shareholders on the chat platform, so I will now attempt to respond to those questions which were put up on the chat as well as voiced by the shareholders today.

So let me start off with the first speaker Ms. Lekha Shah, thank you Madam for complimenting the secretarial team specifically, thank you very much. You talked about coverage of Covid-19 death in our policies. We want to confirm to you that in all our life insurance policies, death by Covid-19 is also covered, so that should not be any concern for the policyholders. We have also communicated this extensively to the policyholders. You specifically asked about a Covid-19 specific product, we will evaluate as we go along, as you know the pandemic and related outcomes are emerging and we will keep evaluating that. You talked about the grace time being given to the policyholders. We want to tell you that as a normal feature of our policies, the policyholders have one month of grace period, so that is anyway available. Also in line with the IRDAI circular, we have also given additional grace period until May, of another month, so that the customers are not inconvenienced. As you know, on non-ULIP policies in the savings business we also extend the facility of loans, for policy holders. Thank you once again for supporting all the resolutions, we really appreciate it, we really are thankful to you for that and also thank you for your good wishes.

Mr. Vinod Agarwal, thank you Sir for complimenting again on working during the Covid-19 times. It has been a stressful environment for us all but we have made sure that we undertook operations with minimal possible interruption. You talked about the health claim being settled in time up to your expectations, thank you very much for mentioning it and complimenting us. We continue to strive hard to make sure that even in this environment we pay out the claims on time. You talked about no physical contacts taking place, how are we ensuring volumes and you also talked about persistency ratios, how they have emerged during this period. Just wanted to tell you that, thanks to our technological enablers and several initiatives over the years on digitalisation, we have been able to give several platforms to our agents so that they can move from physical handshake to what we call a virtual handshake and through that we have been able to enable operations and this is also demonstrated by the fact that our renewal premiums on a year-on-year basis have grown during this period of disruption as well.

You talked about the persistency ratio. Our persistency ratio, 13-month persistency ratio was 84.1% for June as against 85.3% for the last year. You specifically talked about Covid-19 claims. This questions was asked by a couple of other speakers also. We want to share with you that out of over 41,000 deaths reported to us across the country, we had about 132 claims so far due to Covid-19. I wanted to share that that the overall mortality experience during this period has been actually better than what we had expected. Another way to look at it is how much life insurance is under-penetrated in the country. So there is a great opportunity for your Company to promote, especially, the term life policies to the larger population of our country. You talked about the Covid-19 effect, what effect it is going to have on the business. Yes, of course, as you rightly pointed out there is a short term income pressure, however, you would note that any pandemic like this increases the need for insurance as I mentioned. So we do see a lot of enquiries from the customers for term insurance, we believe that as one of the leading players this is a great opportunity for us going forward.

Once again, I thank you for your support for all the resolutions as you mentioned and thank you for appreciating our work, including that of the annual report team, thank you for that. You have talked about the dividend specifically, you mentioned about the dividend payout and what should be the dividend ratio. As you know over the years our solvency ratio has been coming down somewhat. In a way it is desirable because we are doing more business. Given the current level of solvency, keeping in mind the huge potential for our industry, the Company has revised the dividend policy to allow dividend payout ratio of up to 30% of PAT, but I want to assure the shareholders that this 30% is also in line with most other large financial institutions of the country; in fact better than some of our peers in the life insurance industry. So that is overall the dividend policy I want to talk about but specifically as you know for the financial year FY2020 in the first half we had declared an interim dividend of 20% of PAT, that has already been paid to the shareholders. Given the current situation relating to the Covid-19 pandemic, IRDAI, our regulator, by a circular urged all the insurance companies to take a conscious call to refrain from dividend payouts from profits pertaining to the financial year. Having due regard to the circular, the Board thought it prudent to take a conscious call of not proposing any final dividend for financial year 2020. So that is what I wanted to mention in the context of the question of dividend you had asked. You asked about the solvency ratio, you enquired if 194% is good? Yes Sir, it is higher than the regulatory requirement of 150%. In fact, on June 30th of the current year, we further improved the solvency ratio to 205%. So it is well above the regulatory requirement, thank you for complimenting us on that and thank you for your best wishes as well. You specifically asked about savings on account of virtual AGM. In physical AGM alone, we would have spent about ₹ 44 lakhs that was the amount we spent last year. So all the arrangements, everything together for virtual AGM we could manage it within around ₹ 16 lakhs, so there was a cost saving as you have correctly mentioned.

Let me talk about the questions of Mr. Santosh Kumar Saraf, thank you, my Hindi is not all that good Sir but please bear with me. Thank you for joining on the call, you had talked about the dividend policy, I have answered that right now, up to 30% of PAT is what Board has recommended. As you know, on the basis of IRDAI circular, we were not able to make the final dividend based on the Board decision but interim dividend for the year has already been declared and paid to the shareholders. Thank you for complimenting us on our awards. I agree with you that for getting awards one has to work very hard. This comment of yours motivates us and we will continue to work hard. You specifically talked about our income has come down, so how are you going to be managing the situation. I want to tell you that during this disruption, our technology platform is one of the best in the industry. We have deployed it to distributors and sales management teams, we have educated and trained them for better performance. Month-on-month for this year, if you look, our income has increased. We are also educating the distributors as well. The Company has also been focusing on diversifying the product mix, for example if loss is happening in market linked products like ULIP, we are diversifying our product mix to non-linked products also. We are also using this time to tie-up with lot of partners. One such partnership we have done during the current year is IDFC First Bank. On the income side, again, I talked about the product mix, we will continue our efforts to grow across all the products and finally one thought I want to leave with you is that while April was a big reduction, compared to April, May was better, compared to May, June was better and compared to June, July was better. So we are taking a lot of heart in terms of the sequential momentum that we are seeing in our business. You had also talked about the salary cut. I wanted to tell you in this context that, on the frontline and junior level employees, we have given a nominal increase of salary, considering their level of salaries and considering the level of inflation, the Board had decided that we should be giving some increment for the frontline employees which covers a larger base of employees. However, when it came to senior management and top management, no increases are being proposed. In fact, at the management committee level and at my level, we have decided to contribute one month of our salary to PM Cares. You had talked about women employees, I just wanted to tell you that on the whole we have 26% of

our employees as women employees out of the workforce of about 14,000 people. We do believe that diversity is very important. We are an equal opportunity employer, we pride in saying that we have policies that help across the segments of our employee base. We will continue to focus on diversity, we will continue to focus on being an equal opportunity employer. You talked about the disability related employee recruitment, thank you for your suggestion, we will seriously explore it. Thank you once again for attending and spending so much of time with us.

Let me now move on to Mr. Yusuf Rangwala. Thank you Sir for complimenting on our balance sheet. You talked about the dividend, as I mentioned earlier we have given an interim dividend and I shared details about non-declaration of final dividend. You talked about automobile insurance, yes that is being done by ICICI Lombard, within ICICI Group. We focus on life insurance. Thank you for complimenting all the group companies and thank you so much for your wishes.

I am sorry, the other shareholders who had given their names could not really join because of technology constraints but we got lot of questions on the chat, so we believe we would have been able to hear the larger set of shareholders.

One question has come from Mr. Vimal Jain, who has asked if our Company considers any type of rebate be given to shareholders who would get his or her life insured by our Company. Sir, I would like to attract your attention to Section 41(1) of the Insurance Act, which specifically says that no person shall allow or offer to allow either directly or indirectly any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy except in such cases as may be allowed and approved by the regulator. We do offer discount to customers in some of the products as per the approvals obtained from IRDAI as a part of our product filing. We offer discounts like loyalty discount/online discount under different plans. We offer online discounts to pass on the benefits of cost savings. We would urge the shareholders to use the online platform to avail products, to be able to get benefit of cost savings. As regards a group policy, for shareholders the difficulty we have is that it is almost impossible to track the ever-changing pool of the shareholders and it may not be practically feasible.

Coming to Ms. Deepa Singhal, the question you have asked is what has been the total claims paid on account of mortality due to Covid-19. As I mentioned earlier, we received claims on 132 lives and our mortality experience continues to be better than our expectation. There is a question from Mr. Ujjawal Goyal, in Covid-19 whether there were changes in remuneration of Directors, and whether the Company has reduced or increased. Madam, the fixed remuneration has remained same as last year for the senior and top management and as I said separately we have donated at a very senior level one month of gross salary to PM Cares.

There is a question from Mr. Ravi Kulkarni about how management is seeing the next three to five years in terms of business, could you share management projection, growth and number, what is your thoughts on the competition. It is a very competitive industry, there are 24 players, large amount of players and significant competition but we have articulated our objective to double the financial year 2019 VNB, that is Value of New Business, which is value metric, by financial year 2023 while ensuring that the customer is at the core of everything we do as you saw from the video as well today. For premium and protection growth we will continue to work on diversifying our product mix through a combination of distribution buildup as well as our product propositions. On the partnership distribution, we will focus on tying up with more and more partners so that we can deepen the penetration in the country. On persistency, we will continue to take various steps across employees, customers as well as distributors to improve it further and finally we would continue to focus on

productivity to leverage technology for process reengineering. So through these 4Ps, we do believe that we should pursue the path of doubling our financial year 2019 VNB by financial year 2023 while ensuring that our customer is at the core of everything we do.

There is a question from Mr. Sagar, the question is, that how much percentage of sales comes from digital channels. We do have a direct end-to-end online digital channel, however if you look at the entire end-to-end digital channel the top line, the proportion of that as our top line would be about couple of percentage points, it is small but we do have another direct channel in terms of half digital and half assisted and on that channel we do – about 12% of our top line comes from that channel.

The next question is from Mr. Rupesh Kumar that actually this is not a pandemic but a normal flu virus, so why all your staff is not working regularly and are not solving any problem, I am trying to contact so many times but no one is available. Sir, I apologize to you that you have not been able to contact us. I will have someone contact you, you have given the number also, we will do that but we want to tell you that currently 450 to 470 offices out of about 510 offices that we have are being opened on a daily basis, compared to about 25 to 30 offices which we had opened at the start of the pandemic. On an average on a given day about 3,000 employees have been put on roster on a daily basis. But I am sure you will appreciate that as a responsible management, we should also look at the employee safety, distributor safety and customer safety. So we have taken all measures to make sure that whoever is coming to our office, whoever is being contacted by our staff stays safe during our interactions; that is why we have offered several digital channels such as call center, website, email, etc. So, I would say that while there will be challenges given the kind of disruption we have seen around, we have made sure that we service our customers and shareholders through our digital channel, and that will really continue.

There is a question from Ms. Pramila Sharma saying that image of ICICI Bank has suffered in the last couple of years, does management think that there is any rub off effect of ICICI Prudential. Madam, I wanted to mention to you that ICICI Group is a very strong group and thus a very strong brand. We, as a Company and again on the other shareholder we have Prudential who is also a very strong global brand. I want to assure you that we have benefited immensely from the brand of ICICI as well as Prudential and specifically ICICI is also one of our large distributors. Our feeling is that brand image has been enhanced and I would assure you that there should not be any concern regarding the brand. ICICI is a strong brand and we have leveraged a lot in terms of our business to our Company as well.

Next question is from Ms. Veena Agrawal on chat. We senior citizens invest our tax paid money for some income, when you donate so much of money how does it affect the dividend. Madam, I just wanted to assure you that we do make donations, which have been laid out at the video as well, from the 2% CSR requirement which is a statutory requirement, we try and meet that requirement by donating for our CSR activities. So there should not be any concern of that going and reducing the dividend. As I said the dividend issue is a separate issue, which I talked about earlier, but on the CSR the money which is available we make sure that we spend it for the best of causes possible so that the impact is seen and measured on the ground.

There is a question from Mr. Ramesh Vittal Shetty. I do not have any question but a suggestion, this question-answer session is very poorly managed video conference, kindly manage better because it destroys your reputation. I can see esteemed Members waiting helplessly. Mr. Ramesh Shetty from Dubai, sorry Mr. Shetty you had to wait. We do take the feedback but we will try to improve. However, I just wanted to underscore that how this meeting happens also depends on connections of Members who are connecting from various places. We have seen the signal here around us as well as our

Directors who are participating it seems to be quite good. We also have given enough time, I am sorry you had to wait, I am sorry some of the other shareholders had to wait but I am glad that several shareholders have been able to access through the chat mode and I have been able to answer some of those questions but we take the feedback, we will look for improvement going forward.

Mr. Irshad Mody, since we could not hear him as the connection was not good, he has sent it through the chat mode. The first question he has is on the impact in the first quarter. I have already talked about it, that we have taken several steps including technology enabled distribution and customer service. Thanks to that we are seeing a sequential momentum. As I said from April to May, May to June, June to July the first year premium incomes have improved. While it will take some time for a year on year improvement that is still a decline, we have taken several steps, so that is the impact but the impact is also that there is a huge sort of an interest in buying protection policies. There has been some impact in terms of not being able to issue all the policies because of the medical tests have got somewhat disrupted physically. However, we do see a great opportunity for protection going forward. Any specific CSR in the last three months is the question you have asked. As the video explained, we have, as a Company given ₹ 10 crores of money to PM Cares in the last three months and, I talked about the employee contribution earlier in my question to salary for this year and we have contributed together ₹ 2.7 crores to PM Cares. We thought that this is the time to really make a contribution to the evolving situation.

You talked about use of technology in work from home. We have done extensive work from home. I wanted to assure you that within a couple of days of the initial lockdown being announced, we have been able work from home, seamlessly; and employees have been working from home. For example, in the case of Mumbai, about 95% of the employees have been working from home. We have not seen big disruption in terms of being able to do our responsibilities during this period. To answer your question, technologically, we have to be very focused on cyber security, which our teams have also really focused on. You talked about the four year road map as your fourth question, I want to tell you that the four year growth map is pretty much what I mentioned earlier, of trying to double our VNB of 2019 financial year over this period. So this would mean that we will have to grow broadly from that time onwards at a growth rate of about 19-25%. So that growth rate is what we are assuming in terms of our ability to achieve. We will have to still go and execute it, however that is our broad road map and that will be driven by the 4Ps of Premium Growth, Protection Growth, Productivity Improvement and Persistency Improvement.

I hope that I have answered the queries to the satisfaction of the shareholders who have physically spoken as well as people who have put their questions on the chat. I believe that I have answered the queries to the best of my abilities and I would once again request all the shareholders to please take care and stay safe. I now request our Chairman, Mr. Ramachandran, to take over the proceedings, thank you very much.

Mr. Ramachandran: Thank you Kannan. I thank you for your efforts and for sharing your views. I trust that your questions have now been answered. This concludes the formal business of the Meeting and I thank you and declare the Meeting as closed. I request the Members who have not cast their votes through remote e-voting, to do so by availing the e-voting system which is available for 30 minutes from now.

Further I authorize the Chief Financial Officer of the Company or the Company Secretary to declare the results of the remote e-voting as soon as the electronic voting is done at the AGM today. The results will be announced within 48 hours to the stock exchanges as well as disseminated on the website of

the Company along with the scrutinizer's report. The same would be duly recorded as part of the proceedings of the AGM. I now thank all of you for your support.

Ms. Vyoma: Thank you Sir, thank you very much. Dear all, we will wait for next 30 minutes just to record the votes cast and then over the next 48 hours declare the results. Thank you.

Ms. Vyoma: Members who are still connected, this is 5.19 p.m. now, that is exactly 30 minutes since we concluded the AGM. Members who have been able to vote will be recorded. Thank you.

Disclaimer: Please note that this transcript has been edited for the purpose of clarity and better reading.