

PB FINTECH LIMITED

Transcripts of 16th Annual General Meeting

September 27, 2024

Company Attendees:

- 1. Mr. Yashish Dahiya- Chairman, Executive Director & CEO**
- 2. Mr. Alok Bansal- Executive Vice Chairman & Whole Time Director**
- 3. Mr. Sarbvir Singh- Joint Group CEO & Executive Director**
- 4. Mr. Kaushik Dutta- Non-Executive Independent Director, Chairman of Audit committee.**
- 5. Mrs. Veena Vikas Mankar- Non-Executive Independent Director, Chairperson of Nomination and Remuneration Committee**
- 6. Mr. Nilesh Bhaskar Sathe- Non-Executive Independent Director**
- 7. Ms. Lilian Jessie Paul- Non-Executive Independent Director**
- 8. Ms. Kitty Agarwal- Non-Executive & Non Independent Director, Chairperson of Stakeholders' Relationship Committee**
- 9. Mr. Dhruv Shringi- Additional Non-Executive Independent Director**
- 10. Mr. Mandeep Mehta – Group Chief Financial Officer**
- 11. Mr. Bhasker Joshi –Company Secretary and Compliance officer**
- 12. Mr. Naveen Kukreja- CEO & Whole time Director of Paisabazaar Marketing and Consulting Private Limited**

Moderator:

We are live now. Dear shareholders, good morning. Welcome to 16th Annual General Meeting of PB Fintech Limited. For the smooth conduct of the meeting, members will be in the mute mode by default to avoid noise and disturbance during the proceedings of this meeting. Audio will be opened only for the pre-registered speakers to speak at the AGM. The proceedings of the meeting are being recorded. I now hand over to Mr. Bhasker Joshi, Company Secretary and Compliance Officer of the Company. Over to you Sir. Thank you.

Bhasker Joshi:

Thank you Moderator. Good morning to all the shareholders, the Board of Directors, and the panel members. Welcome to the 16th Annual General Meeting of PB Fintech Limited. The meeting is being held through video conferencing in accordance with the circulars of the Ministry of Corporate affairs, Securities and Exchange Board of India and in accordance with the provisions of the Companies Act and the SEBI (LODR) Regulations, 2015. The registered office of the company situated at Gurugram shall be deemed to be the venue of the meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the businesses, as mentioned in the notice.

As the meeting is being held through video conferencing, please note that the participation of members is done virtually through electronic participation and there is no requirement to facilitate the appointment of proxy.

All the members who have joined are by default placed on mute by the moderator, when the session on question and answer commences, the speaker member will be unmuted by the moderator.

Members may also note that the company reserves the right to limit the number of members asking questions depending on the availability of time. The Register of Directors and the Key Manager Personnel and their Shareholding, the Register of Contracts or Arrangements in which the directors are interested and the Certificate from the Secretarial Auditor of the Company under the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, are available electronically for inspection by the members during the meeting. Members seeking to inspect such documents can send a request to complianceofficer@pbfintech.in or cosec@policybazaar.com.

We would like to inform members that the company has taken all efforts to enable shareholders to vote electronically prior to the AGM or at the AGM in a seamless manner. The remote e-voting facility was made available to all the members holding shares as on the cut-off date of September 20, 2024, during the period commencing from 09:00 A.M. on 24th September, 2024 till 05:00 P.M. on 26th September, 2024. Members joining the meeting through video conferencing facility who have not yet casted their vote by means of remote e-voting may vote through the e-voting facility provided in the AGM. The Board of Directors have appointed Dhananjay Shukla & Associates, Practicing Company Secretaries as a scrutinizer for this meeting. Based on the report of the scrutinizer, the combined result of the remote e-voting and the e-voting on the website done at the meeting today will be announced and displayed on the website of the company and will also be submitted to the stock exchanges as per the requirement under the SEBI Regulations.

I would now like to introduce the Board of Directors, the CFO and the other participants present with us in the meeting. I would request each Board and Panel member to raise their hand when I introduce him or her.

Mr. Yashish Dahiya, Chairman Executive Director and CEO of the Company. He is Chairman of the CSR Committee, Chairman of the BRSR Committee and the Risk Management Committee and a member of the audit committee. He is joining this meeting from the Boardroom of our office at Gurugram.

Mr. Alok Bansal, Executive Vice Chairman and Whole-time Director of the Company. He is the member of the Stakeholder Relationship Committee, Risk Management Committee and the BRSR Committee. He is joining the meeting from the Boardroom of our office at Gurugram.

Mr. Sarbvir Singh, Joint Group CEO and Executive Director of the Company and President-Policybazaar. He is a member of the BRSR committee. He is joining the meeting from the boardroom of our office in Gurugram.

Mr. Kaushik Data, Independent Director of the Company. He is the Chairman of the Audit Committee. He is joining the meeting from Delhi.

Mrs. Veena Vikas Mankar, Independent Director of the Company. She is the Chairperson of the Nomination and Remuneration Committee. She is joining the meeting from London.

Mr. Nilesh Bhaskar Sathe, Independent Director of the Company. He is the member of the Stakeholder Relationship Committee and the Nomination and Remuneration Committee. He is joining the meeting from his residence in Nagpur.

Ms. Lilian Jessie Paul, Independent Director of the Company. She is the member of the CSR Committee and the Stakeholder Relationship Committee. She is joining the meeting from Singapore.

Ms. Kitty Agarwal, Non-Executive & Non Independent Director of the Company. She is the Chairperson of the Stakeholder Relationship Committee and a member of the Nomination and Remuneration Committee. She is joining the meeting from her residence in Gurugram.

Mr. Dhruv Shringi, Additional Independent Director of the Company, his appointment as an Independent Director is subject to approval of the Shareholders in this Meeting. He is joining the Meeting from Yatra's office in Gurugram.

Mr. Naveen Kukreja, CEO & Whole time Director of Paisabazaar. He is joining the meeting from the Boardroom of our office in Gurugram.

Mr. Mandeep Mehta, Group Chief Financial Officer, he is joining the meeting from the Boardroom of our office in Gurugram.

We also have with us Mr. Ankit Mehra, Partner-Assurance and Mr. Varun Khanna, Director at Walker Chandiok & Co. LLP, Statutory Auditors of the Company. They are joining this meeting from their office in Gurugram.

Mr. Dhananjay Shukla, Proprietor, Dhananjay Shukla & Associates, Secretarial Auditor of the Company and the Scrutinizer of this meeting. He is joining this meeting from his office in Gurugram.

Based on the details available from the shareholders login, I can confirm that the requisite quorum is present and request Chairman Sir to call the meeting to order.

I will now request Mr. Yashish Dahiya, Chairman and CEO of the Company to address the shareholders of the Company.

Mr. Yashish Dahiya:

Thank you, Bhasker. Good Morning ladies and gentlemen. Thank you for joining us here. It's my pleasure and privilege to interact with you today. I hope all of you and your family members are keeping safe and staying healthy. I welcome you to the 16th Annual General Meeting and the 1st one after Delivering the full year of profits.

I have been informed that the requisite quorum for the conduct of the proceedings of the AGM is present. So I call this meeting in order.

Before I start, I just wanted to thank Mr. Gopalan Srinivasan, who was our independent director till very recently. He has taken on the role of being the Managing Director at Galaxy Health and so would no longer continue but we really wanted to take on record and thank him for his guidance to us in the last three years or so.

Dear shareholders, we started this company in 2008, which was, you know, more than 16 years ago with a fairly a simple goal, and I want to lay out what we believe is the difference we have caused. Back in 2008, if you asked any member of the middle class, what insurance products they would like to buy for their family? I think the answer you would have received is either some kind of investment product from a tax planning perspective or motor insurance. Today if you ask the same question to a middle class person, what product would they prefer to buy? for their own families in the insurance category, you will hear the answer, health insurance, term insurance. I think this big difference that has happened in the last 16-17 years in the attitude of consumers towards insurance. We can take a very large part of the

credit for this. This is against the backdrop of a stark reality that today about two thirds of healthcare expenses in our country are born out of pocket and the mortality gap is amongst the highest in the world. Mortality gap is defined for those of you, I don't expect anybody to understand insurance but extremely well. Mortality gap is defined as if somebody died today, what percentage of the income do they not have a bridge for and that stands at amongst the highest numbers in the world. Policy bazaar is trying to bridge this critical social security divide for the middle class. If you think about social security, what does social security really mean?

According to me, life carries on and you don't need social security for day to day activities, but four things stand out where social security is very necessary. Number one, if somebody falls ill or gets disabled. Then they have costs associated with that and loss of income also and the family does need to be supported in that time. Number two if somebody dies early, they have a family that is depending on their income and that family goes into financial distress.

Number three pensions, people retire without understanding that they have a long life ahead, hopefully, and that does take a lot of cost, specifically in a country where there's a lot of inflation.

And the 4th is children's education. People only find out when the child comes up for at the time of education, how expensive it is today for children to go through those 3-4-6 years of education and most people are under prepared for it. The way we think about it, we classify all of India into three broad categories. One would be the upper three to 5% of people. Who have enough money if today a coffee is available, which is slightly tasting better and it costs four times more, they have no problem paying for it. And I don't think that is the group that Policybazaar is really addressing.

Then there is almost a billion people who do not have the financial ability to take care of day to day needs and are really struggling and most of these people rely on the government's support and you are seeing various programs come about to help these, you know sensitive areas of population to make sure they are supported with their livelihoods and then there is this middle about 25% of our population, which by the way is almost 350 to 400 million people. There's something very specific about this bunch. While they are hard working and aspirational, they also have fear because they don't have so much that they can buy that coffee which is four times more expensive.

Just because it tastes slightly better. They, if they have any of these three, four problems, are very serious problems for them, pension, early death, disease, and child education cost planning. These are things they have not planned for. And we have taken it on as our job. To educate and enable the ease in their life of these four problem areas. The protection landscape is evolving and the consumer trust today in the insurance category needs to be much higher and we believe what is really coming in the way of consumer confidence is absolute seamless effortless claims processing. We have worked very hard over the last three years the team has worked extremely hard in standing shoulder to shoulder with our customers and with our insurance partners to make sure we put in the operational capabilities to settle claims faster and a lot of that is paying off in terms of better customer experience. However, there is still a very large, I would say lack of trust or conflict of interest at the point of claims between garages, hospitals, and insurance companies especially the insurance category, because what is revenue for one is cost for the other. And somebody's trying to maximize their revenue, but the other person has to bear the cost. So a lot of work needs to happen in that area.

As shareholders is important for you to understand the ethos of decision making for us. We are built on a simple, yet fairly powerful principle. It is a people 1st approach and this people's 1st approach applies to our customers, applies to our employees because only happy employees can make happy customers. And I really want to comment our management teams in working very hard in ensuring happy employees so that, you know, those employees does make the customers happier, and our customer center

processes, every time when there is a problem, because insurance is a complex category, we always endeavour to take the side of the consumer while being fair to our partners.

The 2nd guiding principle of our team and our existence is trust and patience. Trust each other and have patience. It takes time. Everything takes time and that is. You know, one of our almost non-negotiable principles that we have as a company. We look at all decisions from these lenses while the business teams work very hard in optimizing various short term metrics.

We have to also look at the strategic aspects of the organization from a medium to long term perspective. This is important to give the right direction and align our resources appropriately. Since inception we have a bias towards building rather than buying or investing. So whether it was the POSP, whether it was the corporate business, whether it was UAE or whether it was Paisabazaar. All of these have been built in house rather than build through investments. We believe this leads to long term strength and gives us more flexibility which was amply demonstrated during COVID. When overnight we shifted from an office based environment to a at home environment with thousands and thousands of consumer engaging employees. Just think about how all the systems would have changed, where all these people were working on desktops suddenly having moved to mobile based app based experience for the team and all people were traveling, but still all the operations were kept running.

Our long term vision is encapsulated in our tagline, which we 1st heard from the current IRDA chairman, Har Family hogi insured (every family will be insured) and that is an objective we don't intend to give up on. We are a responsible organization and continue to deliver profitability for our stakeholders with the long term perspective.

In the credit marketplace, as we said was started in 2014, internally, growth showed moderation. However, it continues to be adjusted EBITDA positive since December 2022. Our new initiatives are also guided by doing the right thing for the organization, for the customers and for our partners, and all continues to do very well. Our POSP business is growing very fast and getting closer and closer and reducing losses on a regular basis.

Our corporate business is growing very rapidly and building a very impressive client base, and we hope to leverage more and more reinsurance brokerage capabilities also within our corporate business site.

And the UAE business continues to thrive. As a dynamic values driven team, we are enthusiastic about altering the landscape of insurance in the consumer's interest. We believe our, you know, I believe we are at a very early stage of our company still. See companies in my opinion have got three statements. What is the stage where their entire value proposition has not yet fallen into place. They're still putting the pieces together and thus getting stronger in their proposition as time progresses.

The 2nd is when they start making money from the proposition they have created. And the 3rd is when they start getting displaced by other innovation who are, who are perhaps in the, in the early stages of their organization. We are still in the early stages as I see it.

We haven't reached that level, where we are our profits reflect our majority in any way shape or form. We are grateful for your favoring support so far and hope you will continue to place your faith in us. To drive our initiatives that transform the industry. With this, let me hand over back to Bhasker for further proceedings. Thank you.

Bhasker Joshi:

Thank you Chairman Sir. Now I'd like to invite Mr. Mandeep Mehta, our Group CFO to apprise the members on our financial performance for the financial year ended 31st March, 2024. Over to you, Mandeep.

Mandeep Mehta:

Thanks Bhasker.

First of all, I would like to thank our shareholders, customers, partners, regulators, and employees for trust and encouragement given to us in the last couple of years. While your company's annual report has already been circulated and it has quite a bit of commentary to go about.

I would like to highlight following consolidated results for the year ended 31st March 2024.

1. Our revenue for financial year ended 31st March, 2024 grew to Rs. 3,438 Crores marking a growth of 34% over financial year 23. A CAGR of 47% over six years. Similarly, we became PAT positive since Q3 of financial year 24 and for the full year, our PAT (profit after tax) stood at Rs. 64 Crores, an increase of approximately 550 crores over financial year 23.

This growth is driven primarily by three things. 1st is growth of the new business and 2nd is renewal revenue, which grew by 48% to 471 crores and the higher efficiency in the new business.

Insurance premium grew by 37% to 15,875 crores in financial year 24 as against 11,589 crores in financial year 23 with a five year CAGR of 52 % on back of strong protection and saving business. Even at scale, we continue to improve customer onboarding, service and claims support and maintain our CSAT of 89%. We offered tech enabled on-ground support in all city tiers, to the extent that support is available within 30 minutes at the hospital during an emergency. With a physical presence in 180+ cities and enabling 12 languages, it's heartening that more than 2/3rd of our business now come from Tier-2 and Tier-3 Cities. This resonates with our tagline, "Har Family hogi Insured" and our commitment of service to "Bharat". We also have our claims assistance teams in over 117 cities serving our customers.

Our new initiative PB partners and PB for business are steadily growing over last year while improving efficiency and scale. PB partner is now present in over 18,000 pin codes in India. Our UAE business has grown 2 X year on year and with composite broking license, we look forward to opportunities for offering enhanced spectrum of choices to our customers.

Our overall credit disbursements grew by 27% to Rs. 14,800 Crore (Rs. 11,619 Crore in FY23) with a CAGR of 31% over the last six years. Post Covid the overall Industry saw a surge in demand and the supernormal growth, however, led to RBI intervention, as it saw potential risks and had to streamline norms. The regulator prudently advised and encouraged the industry to moderate this growth, and since then, its measures around increase in risk weight along with guidance around co-brand regulations and V-KYC have led to policy and process changes. Due to this the growth in retail lending specially in unsecured credit has moderated.

Our Core businesses have been adjusted EBITDA positive for almost 10 quarters now. Our overall adjusted EBITDA at the consolidated level including core+new initiatives grew by almost ₹ 263 Cr in FY24 as compared to FY23.

We are cash-positive for the year and have a healthy fund balance as at March-end to enable further investments in our businesses.

Future looks exciting as India is at cusp of becoming an economic superpower. The underpenetrated, fragmented Insurance and credit sector along with expanding digital consumer base offers opportunities of long-term growth. We continue to invest to scale up further through the expansion of products portfolio, tech solutions and our family of passionate team members. We are enthusiastic about adding value to our customers, partners, shareholders and our team members. With this wishing you and your family a very happy Diwali and festive season ahead. Bhasker, over to you.

Yashish Dahiya:

Bhasker, just before you go there, I just wanted to highlight one thing in this. I always believe, you know, judging us in static is the biggest mistake anybody can make. And you know, some of these were static numbers in some ways and I wanted to just give you one perspective.

In 2021, our total revenue was 890 crores. In 2024, this is exactly three years later, what Mandeep just said, our total revenue is about 3,500 crores. That is four times higher. I think in three years, the company's revenue quadrupled. I think just keep that in the back of your mind when you think about Policybazaar with that because that is the big thing that's happening, the growth rate. Thanks and over to you Bhasker.

Bhasker Joshi:

Thank you chairman sir and I now request the moderator to begin the question and answer sessions with the members who have preregistered themselves as speakers to ask their questions, express their views, give suggestions or make inquiries regarding the operating and financial operations performance of the company and other related matters. Given the paucity of time, we request all the members to take two to three minutes to ask their questions, keep their, keep them concise and ensure that they are related to the performance of the Company.

We have also given a dashboard wherein members can punch in their questions. Also, for members who are not able to speak at the meeting, we request them to share their queries at complianceofficer@pbfintech.in or cosec@policybazaar.com. We will address the same in a timely manner. Thank you. Over to your moderator for the question and answer session.

Moderator:

Thank you very much sir. Before we go live this question and answer session, I would like to announce some guidelines for the benefit of all participants. Kindly unmute yourself and proceed to ask the question when you are projected on the broad broadcast screen. Please mention your name, folio number and location from where you are joining. Each shareholders have 2 minutes for their questions. Once you have asked your question, you can switch to watch the proceedings. Members may note that this meeting is being recorded. In case any shareholder has further questions, they can write to cosec@policybazaar.com, complianceofficer@pbfintech.in and the Company shall revert with the responses at the earliest.

With this, I will now invite our speaker number one, Mr. Rishabh Jain, as we have received a video clip on behalf of him, with permission of the Chairman Sir, I would like to play the same.

Yashish Dahiya:

Please.

Moderator:

Thank you sir.

Rishabh Jain:

Very good morning, Chairman Sir, Board of Directors and the Shareholders attending this AGM through this online portal. 1st of all, I would like to congratulate the management and all the dedicated staff for giving excellent results.

During the financial year, 2024, wherein the revenue has been increased and accordingly, our profit comes into green from red. Sir, under your leadership, our equity capital has doubled within a year. My most queries have been covered in the excellent speech given by the Chairman Sir. But now, my query is that a company has experienced growth, however, our company was listed in November 2021 and we understand that it will take more time to see further growth. Then, what is the roadmap for our company for the next five years? Where do we see our company in terms of its size? and capitalization five years down the line, whether Capex will be required for acquisition for inorganic growth and which vertical will do very well according to the management. In the last but not the least, I would like to convey my thanks to the whole Secretarial Team and to this excellent meeting to hold this excellent meeting at this platform as well as for providing me the link to share my views in front of the imminent management. Thanks sir, and all the best to meet you next time with new heights. Thank you.

Yashish Dahiya:

Thank you Rishabh, you're absolutely right that our Company should not be looked in static and should be looked at from a growth perspective because that's what we are, you know, doing. I think the recent results and the last quarter results have been showing the growth rate. Sometime in about just after IPO, we had given out one particular guidance which was that in the year 2027, we should have broadly about thousand crores of revenue and broadly about the 1000 crores of profit as a back. That was something we had suggested and said. I think we are very much on track for that. Besides that, we do not really give guidances. If I was to say, I think on the growth side, clearly, you know, we, we should be ahead of that. We should be way ahead of that and that is very encouraging and on the profit side, I feel confident that we should achieve that.

Now I will try to explain to you why this is the case and why you become confident of these things, right? See at a fundamental level, our core business is profitable and within that, a lot of the, you know, the way we get paid is we get paid something in the 1st year and then something through renewals. So the renewals part comes a little later and so what that implies is as time progresses. That renewal part becomes bigger and bigger and you can see the profits coming from that.

So, you know, as we keep growing and our renewals become bigger, there is automatic growth in profitability. On top of that, you also try to drive efficiency, but you would agree with us that if you are growing at a very high rate, you may not at that time to achieve efficiency while growing at that rate may not be the most optimal thing to do. Because when you're growing at that rate, you might just want to get the growth and you can optimize a little later when your growth may slow down at some point. In terms of Capex you mentioned, we do not anticipate any major Capex in the organization for any of the verticals.

We do not as a company have anything very specific which has been approved in terms of any activity. We are an asset light business and will continue to do so. I guess yes, there is a lot of capital, a lot of cash on the balance sheet and I think closer to 2027, we will have a look at that and see what is the best way to handle that. We are currently seeing very good growth in the protection categories of health insurance and life insurance, so, you know, that is also the most profitable segment we have when we look from a present value of business perspective, see present value is the discounted value of your renewals and your fresh revenue minus whatever costs you are undertaking for that. So from a present value perspective, that seems good.

Our approach is much more build versus buy, so you are unlikely to see us make any significant acquisition or anything of that sort. We prefer to build things ourselves. It allows us to learn faster, it allows us to be our team to stay sharper, even though at times it may be slightly slower. And we are likely to stay that way. Thank you very much.

Moderator:

Thank you for the answers sir. I now invite our speaker number 2 Mr. Jasmeet Singh.

Sir, you may ask your question now?

Jasmeet Singh:

I'm just enabling my camera Jyoti, can you confirm if I'm audible and visible both?

Moderator:

Yes please

Jasmeet Singh:

Thank you Ji, thank you for your confirmation. Very good morning Chairman Yashish Dahiya Ji, ED Alok Bansal, CEO Sarbvir Singh, Independent Directors and Shareholders attending this video call. Another annual body meet of our Company, I'm Jasmeet Singh from Delhi. Amongst the Independent Directors, First, I would like to congratulate our Company on appointment of Mr. Dhruv Shringi on PB Fintech Board. As CEO of Yatra.com, he will surely add value to our Company.

Now Chairman Sir, it is great pleasure to attend this annual body meet of PB Fintech today. Reflecting upon the year under in the year under review, I am thrilled to see the remarkable achievements our company has made. As I and we all witnessed the tremendous growth, innovation and resilience that deserve recognition and celebration. The best part is our share price which has grown almost two X in the year under review, which is very satisfying as far as my investment in the company is concerned and the ball has just started rolling as I believe that in that in next 10 to 15 years from here on, our Company will be regarded as one of the top wealth creators for investors since IPO listing.

I have few questions to ask you. The 1st one is the present low penetration of insurance covered in India provide us with a significant opportunity to keep us growing in the years ahead. How much and how fast is to be seen? So in this regard, my question is that our growth so far has been very impressive, but how can we further accelerate it especially on a growing rolling base? Are there any untapped markets either geographically or demographically that we should focus on to expand our footprint?

My 2nd question is while we have got current suite of products, but as customer needs evolve, so what new services or product can we consider to add in our kitty? Is there a way that we can become even more integrated into our customer's financial product requirements?

My 3rd question is, as I understand that apart from the Merger of Makesense Technologies Limited with our Company which has already been approved previously by us shareholders, presently there is no big M&A in pipeline and with our core business growing clearly, the Company will be generating a decent amount of cash going ahead. Plus, there is already a good cash available on our Balance Sheet. So I would like to know that all the management thinks of sharing the file up with the shareholders in say over the next year or so next year or so, down the line. I can go on and on praising and asking questions on AI, ESG, HR etc. etc. But I would like to stop here.

Before I close, I must praise the high secretarial standards and practices shown under the able leadership of our Compliance Officer, Bhasker Joshi and his team. Stopping here, thank you very much sir once again and all the very best.

Yashish Dahiya:

Thank you very much Jasmeet Singh Ji. Congratulations if you know the share has worked well for you in the short term of one year. That is very good and you know I'm happy for you.

I just wanted to say, in short term share movements, personally we neither take congratulations nor any berating because you know we went from 980 to 350 and then from 350 to 1900 and I think our company was performing quite well throughout this period and our growth rates and our projections were exactly as we said they would be. So I don't think we can be held responsible for market sentiment over a short period of time and we would not want to take the Congratulations for that but yes over a medium term, five, seven years, we do take responsibility for making sure our shareholders make good value. And yes, I hope you will do well and I hope I will also do well as a shareholder of the company and but you know, I would like to assess that over a five year period at least. I think in terms of growth, we are fortunate to be receiving growth right now. We have worked hard for it and I will try to explain to you what that hard work means. That hard work means we have worked on new products, we have worked on new geographies, we have worked on new models to reach out to our customers. We have worked on our technology, we have worked on our analytics. We have then worked on claim support. We have worked on customer service, there has been some serious amount of effort that has gone in there. Hundreds and hundreds of hours of management, time, focus, technology, everything has gone in and thankfully we are in a position where compared to other mechanisms of buying insurance, our mechanism is being preferred by customers and thus we are seeing growth.

So I think our future growth will also depend upon how we continue to do that, how we continue to innovate, how our people continue to find new ways to reach out to the customer, new ways to help the customer in the claims process. I think you mentioned something about deeper down the value chain. See, in general insurance, to deliver an experience you need both the Insurance company, us hand holding the customer, and you also need the service provider. Whether it's a garage, whether it's a hospital, they are also involved in making sure the experience of the customer is very good. So yes, I think as you look into the future years, we would like to see how we can make sure that our experience becomes better. What is our primary purpose for making that experience better? Because some people may see this has random diversification or something else. We are not interested in diversification. We are only interested in protecting and growing the core business. And the core business grows better if the service is better, if the claims experience is better and if the core business over a ten year period grows at 10-15 percent more than it would have, without those interventions, then it is very much worth it because over a ten year period that means three times the growth, if you can grow at 10-15 percent

every year faster. It can be three to four times the growth. I think that is the objective that can Policybazaar be three to four times bigger than it would have been without those interventions.

On M&A, I just wanted to say I mentioned trust and patience. How is trust and patience derived? It is derived by past actions. Over the last 17 years, we have always had capital since 2014. We have been having excess capital that has never met, on the day of IPO also we had about, I don't know about 2000 Crore rupees or something lying in the bank that is before the IPO. That did not mean we were very acquisitive and since IPO also you have seen our behaviour. It is not a very acquisitive behaviour despite having more than 5000 crores on the balance sheet, that is not how we have behaved. Please appreciate, I don't want to say a tiger does not change its strike without be saying we are tiger No. What we are saying is we don't suddenly change our DNA overnight and become a different people.

So that is unlikely to happen. We will, we also think very slowly in terms of what to do with the cash. It has been, we are a high growth organization. We are while we believe we should not require this cash. We still want to have it and may be 12 to 18 months is perhaps not the timeframe in which this cash is being returned. But yes, somewhere down the line the cash became too much and would be returned. There is no doubt about that.

I don't know if there was anything else that I had to answer in this question, but thank you very much. I really appreciate your question. It was a very valid question. Thank you. Thoughtful question.

Moderator:

Thank you for the answer sir.

I now invite our speaker number 3 Mrs. Charanjit Kaur Dang.

Charanjit Kaur Dang:

Hello, Good Morning Chairman Mr. Yashish Dahiya, Directors and everyone attending this call. I'm Charanjit from Delhi. Before I present my notes, let me 1st thank the secretarial team who helped me to connect on this VC today and interact with you all. Sir, at the very outset, I'm glad to read the fantastic numbers from our annual report. I would like to complement the beautiful 170 page report giving detailed working of our company covering all sections with facts and figures. Easy to understand the graphic presentation may take us easy to understand all credit goes to the relevant team who worked out the annual report. As we have witnessed a substantial increase in revenue, meetings and affirming the strength of our business model, the strategic decisions made across our digital platforms, including policybazaar, paisabazaar, etc., have directly contributed to this.

So my 1st question is which new platform is being worked upon to add on to our growth driver in the coming years? My 2nd question is, I have gone through the form AOC-1, which is part of the annual report. Among our subsidiaries except for few, all are loss making. What is the strategy for subsidiaries facing losses? Also I understand few entities are recently ceased to be the part of PB Group and few are added to the group. Do I know the rationales between behind this group restructuring? Before I close, I would like to acknowledge Ms. Rasleen Kaur, Head of investor relations in our company for building and providing the confidence even to the minority shareholders such as me. I hereby wish the Policybazaar team the very best in the year ahead. Thank you sir.

Yashish Dahiya:

Thank you very much, Ms. Charanjit. Any new platform for growth, we don't have any plan right now of you know setting up any new platform for growth. I think on the AOC-1, I will hand over to Mandeep, but

before I do, See, as an organization, we are just moving last year we have moved from loss making to profitability. We had a high growth margin, high growth company, which is what are internet companies, right? Many of you know this, but I'm just saying it because many retail investors may not be aware of this. They will be used to more You know traditional companies. See what happens in traditional companies? Suppose you are putting up a steel plant, you put up your steel plant, and then you start selling your steel. For the 1st four or five years, there is only cost. And then when you start selling the steel, you start making money.

In the internet businesses, what happens is you spend a lot of money up front in building a brand and in building the technology. That is your steel plant and then you start getting customers and when you get customers you make money, and your customers come later and at some point you break even. Because your costs on technology and brand build start to become lesser than the contribution you are making from sales. And the contribution increases as you grow more and as your renewals become a larger part. But please appreciate last year was the 1st time we moved from losses to profits.

And there was a difference of almost 500 crores plus each year in the last year and the year before that. So what you are seeing is these businesses as they grow out, they become very profitable in the years to come. If they are genuine internet businesses, that would happen, which is what we are and, therefore you will see the subsidiaries moving one by one from losses to profits. We are not, you know, in any way trying to figure out how all subsidiaries move out of it together but in terms of AOC-1, I would just hand over to Mandeep to answer the specific questions because there is no particular rationale behind any group restructuring etc.,

Mr. Mandeep Mehta:

Thank you Charanjit ji for this particular question because this is important to understand the legal entity structures as well as our performance. So if you look at the various subsidiaries, you can primarily look at it in a manner whether this is part of the core activity that we are doing or this part of a new initiatives. And new initiative is kind of a new platform, the question that you asked in our case, it may not be a platform but it could be a new initiative. So if you decode this particular legal structure and look at the activities, you will find the core businesses which is insurance and credit are profitable and they have been registered EBITDA positive for last ten quarters. The new initiatives are on their part to break even in near to medium term. Now the rationale for this structure is generally divided by in terms of the regulatory sector they are operating in or the geography that they are you know operating in. Accordingly that structure get evolved, but at the core of it, these are the activities and I reconfirmed that the core activities are profitable and the new initiative as we take new investment that we make become its own path of profitability in near and medium term.

Yashish Dahiya:

Thank you. Can we take the next question, please?

Moderator:

Thank you for the answer sir. I now invite our speaker number 4 Mr. Gaurav Kumar Singh.

Gaurav Kumar Singh:

Hello, hello. Hello, Am i audible?

Moderator:

Yes sir, please go ahead.

Gaurav Kumar Singh:

Thank you so much Chairman Sir, Board of Directors and fellow shareholders, Good afternoon to all of you. My name is Gaurav Kumar Singh.

Moderator:

Sir your voice is not clear.

Bhasker Joshi:

Mr. Gaurav, we cannot hear you.

Gaurav Kumar Singh:

Now my voice is clear?

Bhasker Joshi:

Yes. It's better now.

Gaurav Kumar Singh:

Sir, I feel proud to be shareholder of this company as company is doing well under your leadership so the credit goes to you and all the employees of the company. My question for the management are how many legal cases on our company and what steps have been taken to reduce them. Next is as we know that that artificial intelligence has become the forerunner of the tech world. so how we are planning to adapt and upscaling our workforce and what will be its impact on employment in our company? As far as the agenda of this AGM is concerned I support all the resolutions along with all my family members. Once again, I would like to thanks our management for making maintaining high standard of corporate governance and investor friendly approach. In the end, I wish great future for the Company and a great help for all of you..

Yashish Dahiya:

Sure, thank you Mr. Gaurav Kumar. For legal cases I would, you know, I think we will share this information later. I don't have the information to hand right now. However, I just wanted to explain, as a company, insurance as a category, I believe more than a quarter of the consumer complaints in the company belong to insurance as a category. As far as policybazaar is concerned, we are a large seller of insurance, but at the same time, The total number of consumer cases is about 200 plus minus we give the exact details, but it's in that range, a few hundred, 200 plus minus, but we are the 1st party only in five to six of these. Otherwise the 1st party may be the insurance company or some other party, it's not us and you appreciate what that means, right? Given the scale that is an extremely low number of consumer cases given the industry we operated. Gen AI clearly is becoming very important and we are leveraging it at various levels. There are summarization, there are policy details, there is quality checks. Please do appreciate, we are largely a sales organization and Gen AI so far has shown the promise in the service part of the industry. And so some of our service operations, renewal operations, some of our quality

operations are more likely to have the impact of Gen AI 1st and we are working on, we are working on both sides. we've been working with Gen AI for quite some time. However, just keep that as a backup, at the back of your mind that as a sales organization, probably the impact is going to be in terms of efficiency a little lesser. At least in the short term than one way imagine, would happen in a normal kind of, you know, contact centre kind of operation. Thank you.

Moderator:

Thank you for the answer sir. I now invite speaker number 5 Mr. Ankur Chanda.

Ankur Chanda:

Am i audible? Hello, Am i audible?

Yashish Dahiya:

Yes please, go ahead.

Ankur Chanda:

Okay, ok, ok. Good afternoon to everyone. I just want to say that our corporate governance is too good to isliye sir vaise to koi dikkat nhi hai phir bhi chota sa question main puchna chahta hu ki Our share price is increasing and the company has also made profit this year and there is no dividend as the Company has the vision of reinvesting for further growth. Surely, we will be benefited in the long run. However, we would like to know when we can expect return in the form of divided on our investment. Bas main yahi janna chahunga bas app thoda sa btayega, Dhanyawad.

Yashish Dahiya:

Ankur Chanda ji, Thank you very much for your question and I think aap kafi relevant sawal puch rahe hai hum na as a management team thode se aapko lagta hoga hum risk taking hai but actually bahut risk averse hai isiliye hum log jyada M&A vagerah nhi karte isiliye hum har chiz khudh hi bnate hai mostly or iska ek matlab ye bhi hai ki hum thoda sa jyada Capital apne pas rakhte hai hum isko jyada reinvest nhi kar rahe Company cash flow positive hai to wahi jo paisa hai vo actually reinvest nhi ho raha hai par hum thoda sa safe play karna chahte hai to isliye 1-2 saal hum thoda dekhenge kyuki abhi abhi profitable hue hai to isko 1-2 saal dekhenge kaise chalta hai or thoda sa hum exigencies ke liye plan karke rakhte hai ke agar kuch hua to plan B, plan C, plan D. Toh wahi karan hai ki hum thoda sa jaldi nhi kar rahe dividend dene me nhi to de sakte the or shayad 1-2 saal or nhi karenge lekin haan kabhi na kabhi to karenge kyuki mujhe nhi lagta ki hum uss paise ko kahi or use kar sakte hai jyada toh bus thodi si patience or chahiye or paisa bhi aapka hi hai or akhir me milega bhi aapko hi.

Ankur Chanda:

Bilkul Sir. Thankyou hume return achi milni chahiye bas koi bat ni dividend 1-2 saal bad mil jayega koi dikkat ni hai. Thankyou.

Yashish Dahiya:

Chanda sir main aapse ek hi request karunga na to hume short term ke liye shabashi dijiye na hi agar hume short term me loss ho jaye to abuse mat karna please kyuki hum dono ke liye bahut responsible nhi hai haan agar 5 saal me profit na bane to hume boliyega.

Ankur Chanda:

No no Bilkul sir aap apni taraf se koshish jarur kijiye baki thoda bahut upar niche hota rehta hai sir koi ni dhanyawad sir.

Yashish Dahiya:

Thankyou.

Moderator:

Thank you for the answer sir.

I now invite our speaker number 6 Mr. Surender Kumar Arora as he is not present with us and we have received a video click on behalf of him. So with the permission of chairman sir, I would like to play the same.

Yashish Dahiya:

Sure.

Surender Kumar Arora: Namaskar. My name is Surender Kumar Arora. I am attending this meeting from Noida. Sir I would like to know from you about the business model of our new initiative such PB partner, PB UAE, PB for business, how these new initiatives are managed and achieved growth during the past year. Sir, any planning to add more new initiatives for widen the business? Please tell. Thank you very much.

Yashish Dahiya:

Thank you, Mr. Surender Kumar Arora. I think all these businesses are doing very well. We don't have any specific plan to add any new business line any time soon. For PB partners and PB for business I would like to give Sarbvir the opportunity to kind of explain how we are doing on those. PB in the UAE is doing very well. It is wine for leadership in a very efficient way and much more importantly, the team ethos is very strong. Any business is always complex and they are as a team doing a very good job in you know keeping up with that market and creating products and solutions for the requirement of that market, you would appreciate the UAE has a very unique population base where about 10 % of the population is Emirati and about 90 % are outsiders and of that 90 % or more than half are Indians and a lot of people in the UAE do not retire to the UAE. They both, they go there to work and then they come back here. So for their health insurance, which is a lot of cost is gonna come post retirement and for their long term investments and children education planning etc., they use you know India quite a bit and also from you know kind of a growth perspective, it's a high growth market. So it's very interesting for us and we are able to do good work there, but I'll hand over to Sarbvir for PB partners and PB Business both the business are doing very well.

Sarbvir Singh:

Sure Thanks Yashish. I think just starting with PB partners. PB partners is a business where our customer is an insurance agent. So we work with agents across the lengths and breadth of the country. We have almost 200000 agent partners and we are present in 19000 pin codes. I think there are a total of roughly 20 thousands in India. So we are in 19000 of those. We are, our own employees are present in almost

550 cities, so you can imagine that it's a very highly scaled business, we started just three years ago and now we are the three year market leader in that business both in terms of quality, in terms of the scale of business that we are doing, but also very importantly in terms of quality of the business. So that is the type of partners we have, the fact that we are working with smaller agents rather than with larger agents and the mix of business. So we do motor business, we do live business, and we do health business as well. So both, I think in both these parameters we are doing extremely well. The key success factor in a business like this is our ability to enhance the earning of our agent partners. So the goal of PB partners is to attract agent for whom we can increase their earnings so that they will be loyal to us.

Again, I'm happy to report that the team is doing an excellent job and more and more agent partners want to associate with PB partners each month and they are doing increasing amounts of business with us. So I think that's the story on PB partners.

In PB for business, our customers are corporates and in companies we have two types of corporates, I would say one are the large corporates, these are, you know, very large companies with thousands of employees. Here we work with a model where we have a salesforce and we focus both on health as well as non-health business for the large corporates. Then we have a very interesting business where, which is kind of a digital business where we work with small and medium sized companies. As you know, India is a country of MSMEs and we work with almost thirty forty thousand MSMEs in any given year and here we are helping these companies in a digital manner, which is similar to our retail business in a digital manner to buy insurance. Now here, the requirement is actually twofold one is to create awareness for insurance. Many of these companies are not aware that insurance as a solution exists and secondly to of course then satisfy them and make sure they can be serviced well.

Here again we are doing very well. In three years we've come a long way and I think the most heartening thing is that the team is Strengthening each month and I think the quality of our team, the quality of the technology and products that we are bringing to the table is exceptional, and I think this business has a very good runway in the years ahead.

Yashish Dahiya:

Thank you very much Sarbvir. You know, I was just sort of thinking there is a particular business that we have started, which is a bit like a new initiative and that is more on the secured side of the business because today what's happening is, there's a little bit of pressure on the unsecured lending and so for secured lending, Naveen can explain what they are doing on the secured lending side.

Naveen Kukreja:

Thank you, Yashish. Like Yashish mentioned that so far for the last ten years unsecured has been the backbone of our growth and secured credit and credit cards. So if you see our disbursal mix about 85 % of the disbursal are traditionally been on the unsecured side and credit card also has been a large category and but if you see at the industry level, the secured lending business which is home loan against properties is approximately 50 % of the overall market and one of the reasons why, unsecured scale faster for us and more for us and secured was smaller relatively is that secured is a more offline if you think about the homeloan purchase process or home purchase process or taking long against property, the primary product, which is the property itself is Fairly offline in terms of documentation, legal, validation of ownership, etc. And it's also a larger, longer gestation product. You know, if you're, if you're going out in the market and looking for a home loan, typically takes about between one and four or five months versus a unsecured loan. What we've what we're doing now is because of, you know, what's the macro parameters as well as the opportunity, we're doing two things in the secured site. One is that where we we are setting up last mile fulfillment capability. we're starting with the three largest markets, Delhi

Bombay, Bangalore, which by the way is about one 3rd of the overall industry size, 30%. So in these cities, we will have our own people doing the last mile fulfillment in terms of documentation and we believe that that will add a lot of improvement in terms of experience with the consumers and hence improve our funnel rates. We are already seeing good success. We have about hundred people already on the ground in these three markets in the last three months.

The 2nd thing we're doing is building the technology platform to enable some of the agents at the, at the ground level and create referral business. And that also in the last two, three months is showing good progress. Like I mentioned earlier, our intent is that secured loans given that 50 % of the overall industry should become about 50 % or even more of our business also in the near future and we're working towards that.

Yashish Dahiya:

Thank you Naveen. Thank you very much Surender Kumar Arora sir.

Moderator:

Thank you for the answer sir. I now invite our speaker number 7 Mr. Gagan Kumar Ji, as he has also sent us a video clip of his question with the permission of the chairman sir, I would like to play the same as he's the last speaker for the event.

Yashish Dahiya:

Okay ok.

Gagan Kumar:

Good morning, Mr. Chairman, Board of Directors and fellow Shareholders, Myself, Gagan Kumar, I'm joining this meeting from Delhi. First of all, I would like to mention that I had requested for a hard copy of Annual Report which I received well in time. Sir, my question to the management is, that we have achieved excellent market capitalization. The price of our share was approximately Rs. 600 last year and today it is around Rs. 1900 within one year. The capital appreciation is more than three times. Sir, How much can we expect in the future? Can we expect double the price next year? I just want to appreciate the wonderful work which is being done by the entire company. Thank you so much for this opportunity.

Yashish Dahiya:

Mr. Gagan Kumar I'm very happy for you, and as I said for myself also that the share price has improved, I don't think I am in a position to think about what the share price can be etc. But yes, it's a good company, it's a growing company, and whatever the market expectations are. In terms of, you know, our business performance, I cannot talk about share price. I think over a five year period, we will do better than the market expectations and that is what we are working towards as an organization and thank you for your appreciation and in terms of I just wanted to reiterate, there's only one guidance we have ever given. and there was a reason we gave that guidance. We're not a company that likes to give guidance. At that time, you know, our company was very badly misunderstood. Just after I feels and that was a time when we people said that listen, you will never make profit. This is a forever lost company etc. etc. So we had guided that look if you are willing to look at 2027, we will have a thousand growth profit and we are still on the same guidance. There is no change in that guidance. Other than that, we continue to work hard and hopefully we'll grow faster than we anticipated. Thank you very much. Not on the share price. Oh, sorry, don't I'm very afraid of being misquoted. So when I said growth I did not mean share price meant our premiums. Thank you.

Moderator:

Thank you for the answer sir. As all the registered speakers who had requested to be allowed to speak have already spoken with us and I hand it back to Mr. Bhasker Joshi to continue with the rest of the event over to you sir, and thank you.

Bhasker Joshi:

Thank you. I believe that the management has replied to all the queries raised and we can respond to any queries that may further be raised by the shareholders.

The members are hereby informed that the Notice of AGM, the Board Report, the Auditor's Report, financial statements for the financial year ended March 31, 2024, have been sent to the members of the Company at their registered email address, within prescribed timelines and with the consent of members are taken as read. The Statutory Auditors and Secretarial Auditors have not made any qualification, reservation, adverse remark in their reports for the financial year ended March 31, 2024.

With the permission of the members, I now commence transacting the business containing in the Notice of Annual General Meeting dated August 14, 2024 by calling the brief descriptions of the resolutions.

Resolution No. 1:

Approval of the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

Resolution No. 2:

Re-appointment of Mr. Alok Bansal as a Director, who retires by rotation and being eligible, offers himself for re-appointment.

Resolution No. 3:

Approval for the appointment of Mr. Dhruv Shringi as an Independent Director and approval of Remuneration.

Resolution No. 4:

To approve the remuneration payable to Mr. Kaushik Dutta, Non-Executive Independent Director of the Company.

Resolution No. 5:

To approve the remuneration payable to Mr. Gopalan Srinivasan, Non-Executive Independent Director of the Company.

Resolution No. 6:

To approve the remuneration payable to Mr. Nilesh Bhaskar Sathe, Non-Executive Independent Director of the Company.

Resolution No. 7:

To approve the remuneration payable to Mrs. Veena Vikas Mankar, Non-Executive Independent Director of the Company.

Resolution No. 8:

To approve the remuneration payable to Ms. Lilian Jessie Paul, Non-Executive Independent Director of the Company.

Resolution No. 9:

To approve the increase in remuneration of Mr. Sarbvir Singh, Joint Group CEO, holding office or place of profit as President of Policybazaar Insurance Brokers Private Limited, a wholly owned subsidiary of the Company.

Resolution No. 10:

To approve the PB Fintech Limited Employees Stock Option Scheme – 2024.

Resolution No. 11:

To approve the Grant of options to employees of its subsidiary Company and associate Company, in India or outside India of the Company under PB Fintech Limited Employees Stock Option Scheme – 2024.

Since all the resolutions have been already put to vote through remote e-voting facility, there will be no proposing or seconding of the resolutions and there would be no voting by show of hands.

Members who are participating in the meeting and who have not casted their votes through remote e-voting will now be provided an opportunity to cast their votes through e-voting in the AGM. The e-voting facility will now be open and will close after 15 minutes. Resolutions, as set forth in the Notice, shall be deemed to be passed today subject to the receipt of requisite number of votes. Details of the voting results on all resolutions set forth in the AGM notice will be disseminated to the stock exchanges and will be placed on the company's website as well as on the website of the RTA of the company within the stipulated time. With this, the 16th annual general meeting comes to an end. I am grateful to all the members, Board of Directors and the dignitaries who have taken time to join this meeting. With your permission I hereby declared the proceedings as closed. Thank you.

Moderator and Company Attendees:

Thank you.