

**Transcript of 18<sup>th</sup> Annual General Meeting of UTI Asset Management Company Limited held on Wednesday, the 28<sup>th</sup> July, 2021 at 03:00 p.m. IST through Video Conferencing / Other Audio Visual Means**

**Company Secretary:**

Good afternoon to all Board members and the shareholders of the Company and welcome to this 18<sup>th</sup> Annual General Meeting of the Company.

I would like to inform you that 45 shareholders are participating in this meeting electronically.

Now, I would request Mr. Dinesh Kumar Mehrotra, Non-Executive Chairman and Independent Director to address the shareholders.

**Chairman:**

Dear Shareholders,

It gives me a great pleasure to welcome you all to the 18<sup>th</sup> Annual General Meeting of UTI Asset Management Company Limited held through video conferencing. We hope that you and your family members are healthy and safe during this unprecedented time of COVID – 19 pandemic.

The Company has made all possible efforts to enable shareholders to participate and vote on the items being considered at this meeting.

The participation of shareholders through video conference is being reckoned for the purpose of quorum as per the circulars issued by Ministry of Corporate Affairs and Section 103 of the Companies Act, 2013. We have the requisite quorum present through video conference and therefore, I call this meeting in order.

I would like to introduce our board members and other key invitees and mention the place from where they are participating this meeting through video conferencing.

From the Board of the company, we have the following directors (I request the directors to just wave their hands):

- A. Mr. Narasimhan Seshadri, Chairman of the Nomination & Remuneration Committee – attending from Bangalore;
- B. Mr. Deepak Kumar Chatterjee, Chairman of the Audit Committee & Representative of Stakeholders Relationship Committee – attending from New Delhi;
- C. Mr. Rajeev Kakar, Chairman of Risk Management Committee – attending from Dubai;

- D. Ms. Dipali H Sheth, Chairperson of Corporate Social Responsibility Committee – attending from Mumbai;
- E. Mr. Imtaiyazur Rahman, CEO & Whole-time Director of your Company – attending from Corporate Office in Mumbai.

Mr. Sanjay Varshneya, Nominee of PNB has also joined from Mumbai.

Our other 3 directors, Mr. Edward Cage Bernard, Mr. Flemming Madsen and Ms. Jayashree Vaidhyanathan could not join the meeting.

We also have with us Mr. Arvind Patkar, Company Secretary & Compliance Officer and Mr. Surojit Saha, Chief Financial Officer of your Company.

We also have with us Mr. Chetan Sapre and Mr. Saurabh Jain, representative of M/s. G D Apte & Co., our present Statutory Auditors, and Mr. Vishal N. Manseta, our Secretarial Auditor and the Scrutinizer for the purpose of e-voting results.

**Chairman Speech:**

Dear Shareholders,

It is encouraging that after the economic impact due to Covid-19 pandemic, most economies are gradually recovering. Last year, despite the challenges, we managed to progress, backed by our commitments of delivering value for our stakeholders.

The listing of the Company was a landmark event of the year. It is encouraging that the NSE included the equity shares of UTI AMC in the Nifty500 index w.e.f. 1<sup>st</sup> March, 2021. We also came out with our first Integrated Annual Report.

Despite the initial uncertainties, the markets remained buoyant with increased participation from retail and institutional investors. The IMF and the World Bank have a forecast of our GDP growth rates amongst the highest across emerging economies. Going forward, with investor awareness initiatives and digitalisation, there is immense potential for channelizing savings towards Mutual Fund. Active Equity and Debt Funds will drive the growth of the Mutual Fund Industry. ESG practices is an area which is gaining significance.

I now request Mr. Rahman, CEO & Whole Time Director of your Company to brief the shareholders about the business highlights of the Company.

Thank you once again.

**CEO Speech:**

Thank you Chairman Sir.

Dear Shareholders, Directors and distinguished colleagues,

A very good afternoon to all of you.

It is my great honor to welcome you to this 18<sup>th</sup> Annual General Meeting of your Company for the year ended 31<sup>st</sup> March, 2021 - which is the first financial year ended, after listing of the company.

During the year 2020-21, we saw the global developments severely impacting the economies and also the subsequent recovery and growth. Our stock markets scaled new levels – highlighting the confidence of the investors in the growth prospects of our economy. The mutual fund industry also recorded a very healthy growth. UTI AMC, on its part, continued its mission of enhancing value for its investors and stakeholders.

**Sales & AUM:**

We closed the year 2020-21 with a Quarterly Average AUM of Rs.1,82,853 crores in our domestic mutual fund business and a total group AUM of Rs.11,61,256 crore. Our domestic mutual fund market share stood at 5.69% at the year end.

We managed 138 (excluding 10 segregated portfolio) domestic mutual fund schemes, comprising equity, balanced/hybrid, income, ETFs Index, liquid and money market funds as of 31<sup>st</sup> March, 2021. Our Brand continues to be resilient and we continue to have a high concentration of AUM in B30 centres - with 23% of our AUM coming from these centres.

During 2020-21, we launched UTI Small Cap Fund, UTI Bank ETF, and UTI Nifty 200 Momentum 30 Index Fund. We are planning to launch new funds during the current Financial Year duly assessing the market conditions and based on the product gaps.

**Profit:**

Your company earned a standalone Profit after Tax (PAT) of Rs.351.67 and a consolidated PAT of Rs.494 crore. During the year, we undertook effective cost optimisation measures to manage our costs efficiently. Our Return on Equity also touched a three-year high, touching 15% for 2020-21.

**Fund Management:**

Our Fund Management team significantly enhanced its processes, including implementation of Early Warning System while building up a stronger research team. We also improved our risk

management capabilities including technology enhancement, to mitigate risks and enable sustained growth of the company

**Marketing:**

During the year our media campaign reached 2 crore+ people. We started a financial literacy program for college students and promoted campaigns like Swatantra, Millenial Money Matters, Equal Rights Equal Responsibilities, and Expert Se Poocho.

We also organised a marquee event named ‘The Colloquium’ on 18 March 2021 with the theme ‘Investing in the post pandemic world’ - for which we had eminent speakers from different fields of expertise, including Mr. Marc Faber, Editor & Publisher of The Gloom, Boom & Doom and Mr. Mark Mobius, Founder of Mobius Capital.

**Digital initiatives:**

As we are aware, digitalisation and remote working has become critical. We adapted and transitioned quickly, since we had initiated a comprehensive digital transformation programme to build our organisation’s Efficacy and Capability along with higher data and cyber security. New applications were built during the year including Bloomberg Asset and Investment Management application for investment Management Team, Document Management System and WhatsApp Channel & Chatbot channel for customer interaction and transactions, among others. We have created dedicated teams for enhancing our website and mobile applications.

**Focus on Growth:**

We are focussed on delivering consistent growth in terms of revenue, profitability, market share, and fund performance with emphasis on high-yielding products – like equity and fixed income. We are paying particular attention to growing our group AUM by accessing new markets, marketing our International funds, Alternate Investment Funds (AIFs) and Portfolio Management Services (PMS) products.

**Subsidiaries:**

Let me now share with you some details about our subsidiary companies:

During the year, the business of UTI International grew by 70% to USD 3.65 billion in March 2021. India Dynamic Equity fund crossed USD 820 Million to become the 10th largest India fund among UCITS funds. The J Safra Sarasin Responsible India Fund, Europe’s first ESG compliant India fund, raised USD 125 million in 6 months. We have decided to open an office in Paris to mitigate the issues related to Brexit.

During the last one year, UTI Retirement Solutions recorded strong growth of 36% in the business with the AUM growing to INR 1,66,210 crore from INR 1,22,201 crore. There is a huge potential for us in the Retirement Solutions industry since it is in a nascent stage. We are aggressively building up the required capabilities in this company along with sharper focus on marketing of retirement products.

UTI Capital is focussed on growing the private capital business. During the year, backed by the success of the UTI Structured Debt Opportunities Fund I, we launched UTI Structured Debt Opportunities Fund II. Alternative Investment Funds (AIF) business in India is in the growth phase and we feel that with our strong capability in AIFs, we will be able to substantially grow this business.

**Striving to make a difference to stakeholders & Community:**

It is our strong conviction to enhance value for all our stakeholders. We endeavour to help our investors to achieve their long-term financial goals and aspire to provide them the best-in-class services, to ensure a smooth investment journey for them.

The listing of UTI AMC has brought-in enhanced governance practices & disclosures and it is our endeavour to transform the organisation as one of the finest investment institutions, with highly capable team in the investment and other areas, committed to the welfare of all our stakeholders.

Dear Shareholders, towards better governance, we have formed a board level Digital Transformation Committee for guidance and oversight on robust digitalisation & data security process. In order to bring the required focus to the evolving ESG landscape, we are also in the process of setting up a Board level ESG Committee.

As a socially responsible organisation, we remained focused on our CSR activities to support the underprivileged and to contribute towards community development and upliftment of society.

**Looking forward to a brighter future:**

We remain hopeful of an early turnaround from this pandemic though, unfortunately, we lost some of our employees in the second wave of Covid 19. We made all efforts to support their families. We pray for the departed souls and for strength to the bereaved family members to bear this loss. While continuing with all the health and safety norms for our employees, we have also framed a policy for supporting the education of the children of those employees, who lost their lives due to the pandemic.

I thank you for your support to us.

I now request the Company Secretary to proceed further and take up the agenda items.

**Company Secretary:**

Thank you Sir.

Dear members, we would like to inform you that this meeting is being conducted through video conferencing in compliance with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. Facility for joining this meeting through video conference or other audio-visual means has been made available to all the shareholders.

I confirm that 68 members as of now are participating in this meeting electronically.

The Notice for convening this meeting and the Annual Report *inter-alia*, containing the audited standalone and consolidated financial statements for the financial year ended 31<sup>st</sup> March, 2021, along with the Report of Board of Directors and Auditors thereon, have already been circulated to you through the permitted mode and with your permission, I take them as read. As there is no qualification in the Audit Report, it is not required to be read.

The relevant statutory registers have been made available electronically for inspection during this meeting. As this meeting is being held through video conference, the facility for appointment of proxies by the shareholders was not applicable and hence the proxy register is not available for inspection.

There will be a Q&A session at the later part of the meeting, for which the moderator will announce the names of the shareholders who have registered themselves as speakers and around 3 minutes will be allowed per speaker. The Company reserves the right to limit the number of shareholders asking questions depending on the availability of time.

We would also like to inform you that your Company has provided e-voting facility through KFin Technologies Private Limited for voting on resolutions set forth in the Notice of this meeting. The remote e-voting commenced at 09.00 a.m. IST on Sunday, 25<sup>th</sup> July, 2021, and ended on Tuesday, 27<sup>th</sup> July, 2021 at 05.00 p.m. IST. The voting rights were reckoned on the basis of number of shares held as on the cut-off date, i.e. 21<sup>st</sup> July, 2021. Since, the shareholders were provided with e-voting facility, there will be no voting by show of hands at this meeting as per the statutory provisions.

Shareholders are requested to record and take note of the instructions provided in the Notice convening this meeting.

Those Shareholders, who have not exercised their voting rights through remote e-voting, may still cast their vote after the Q&A session. The e-voting will remain open for 15 minutes post announcement by Chairman.

Since this meeting is held through video conference, and the resolutions provided in the notice have been put to vote by e-voting, there is no requirement for proposing or seconding the resolution. I will now provide the brief about the 9 agenda items set forth in the Notice and proposed to be approved at this meeting.

**ITEM NO. 1** pertains to adoption of Audited Standalone and consolidated Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2021 and the Report of Board of Directors and Auditors thereon and the resolution has been proposed as an **Ordinary Resolution**.

**ITEM NO. 2** pertains to declaration of final dividend of ₹ 17 per equity share for the financial year ended 31<sup>st</sup> March, 2021 and the resolution has been proposed as an **Ordinary Resolution**.

**ITEM NO. 3** pertains to appointment and fixation of remuneration of Statutory Auditors of the Company and the resolutions have been proposed as **Ordinary Resolution**.

**ITEM NO. 4** pertains to appointment of Mr. Edward Cage Bernard, who retires by rotation, as a Nominee Director of T. Rowe Price and the resolutions have been proposed as **Ordinary Resolution**. The Company has received consent from Mr. Bernard to act as director. In view of his broad knowledge and rich experience, the board has recommended his appointment.

**ITEM NO. 5** pertains to appointment of Mr. Sanjay Varshneya as a Nominee Director of Punjab National Bank and the resolutions have been proposed as **Ordinary Resolution**. The Company has received consent from Mr. Varshneya to act as director. In view of his broad knowledge and rich experience, the board has recommended his appointment.

**ITEM NO. 6** pertains to re-appointment of Mr. Deepak Kumar Chatterjee (DIN: 03379600) as an independent director and the resolutions have been proposed as **Special Resolution**. The Company has received consent from Mr. Chatterjee to continue to act as director. In view of the relevant mutual fund experience of Mr. Chatterjee, the board has recommended his re-appointment.

**ITEM NO. 7** pertains to ratification of pre-IPO UTI AMC Employee Stock Option Scheme-2007; pursuant to the requirement of SEBI (Share Based Employee Benefits) Regulations, 2014. Accordingly, the board has recommended to ratify UTI AMC Employee Stock Option Scheme-2007. The resolutions have been proposed as **Special Resolution**.

**ITEM NO. 8** pertains to amendment in UTI AMC Employee Stock Option Scheme-2007. In view of providing more time to employees to exercise the ESOP, the board has recommended to suitably amend the UTI AMC Employee Stock Option Scheme-2007. The resolutions have been proposed as **Special Resolution**.

**ITEM NO. 9** pertains to extending benefit of stock options to the employees of the subsidiary Companies. The board has recommended to approve the grant of stock options to the employees of the subsidiary Companies. The resolutions have been proposed as **Special Resolution**.

The Company has already circulated the Notice of AGM, which contains the proposal, detailed resolutions and the adequate explanatory statements, to the Shareholders; therefore, with the permission of Chairman, we may take all resolutions as read.

**Chairman:**

Yes

**Company Secretary:**

Thank you Sir.

Now, with the permission of Chairman, we may start the Q&A session.

**Chairman:**

Yes, please start.

**Company Secretary:**

Thank you Sir.

The shareholders who have registered themselves as “Speaker” may now ask questions pertaining to items as set forth in the Notice. Shareholders are requested to keep their questions brief and specific. Shareholders may please note that first we will take all questions together and those questions will be answered one by one thereafter. We request you to restrict your questions to the agenda of this AGM.

Now, I request moderator to start the Q&A session.

**Q&A Session:**

Moderator requested the members who have registered themselves as speakers for the AGM to ask questions and express their views. The members asked the questions, which *inter-alia* include:

- a. What steps the company has taken for reducing the impact of Covid on business income and operations?
- b. What are the future business plans?

- c. Steps taken for making the branch offices solar powered?
- d. How many new employees have been added, zone wise figure of employees added?
- e. Reimbursement to employees who had taken vaccination from private hospitals?
- f. How many more districts you are going to add in coming years for wider reach?
- g. As we are now recovering from second wave of Covid and we are looking towards economic growth, so what plans the Company has for small investors, moving forward with low interest rate and high tax rates, people are looking forward for better investments, how Company is managing to offer competitive investment opportunities as compared to its peers?
- h. How Company is planning to reach the prospective investors who are not looking to invest directly in markets. Is our Company looking forward to bring bonus shares / right issue for us being shareholders?
- i. As we are expecting substantial growth in UTI RSL, so would request you to highlight what areas, you are working for capacity building?
- j. What is our future plans, how much donation you have given in PM and CM care fund?
- k. The company's plan for buy-back in order to use the cash reserve?

The Chief Executive Officer & Whole-time Director answered the questions and requested the members to write to the Company for additional clarifications, if any.

The Management noted the following suggestions / comments of the members:

- i. The members appreciated the management on declaration of competitive dividend, increase in profitability, growth in asset under management, competent management etc.
- ii. The Dividend is on standalone basis, so consider having dividend payments on consolidated basis as subsidiaries are generating huge profits.
- iii. VC meeting should be continued as shareholders in other cities can also attend the meeting easily.
- iv. We are very happy to know that we are a zero debt company and we are also happy for listing of the Company and price has been increased to ₹993 from the IPO price of ₹554.
- v. UTI AMC is a very good corporate and has followed good corporate governance practices. We wish you all the best.
- vi. The e-Notice along with Annual Report were received by us on time, and it is self-explanatory and informative, transparent and adhering to all factors which are required for good corporate governance, results are very good as compared to last year and handsome dividend of 170% inspite of pandemic situation.
- vii. Our results and CSR activities are good.
- viii. Please see that our all staff are vaccinated.
- ix. IPO of UTI has rewarded a lot. Beat competition and wish you all a good health, wealth.

**Chairman:**

On behalf of the entire Board of Directors and the management team, I would like to thank you for your continued trust, guidance and support to us.

Shareholders, who have not exercised their voting rights through remote e-voting, may cast their vote electronically on KFintech's platform which will be available for next 15 minutes. Therefore, shareholders who have not cast their vote yet are requested to do so.

The Board of Directors has appointed Mr. Vishal N Manseta, Practicing Company Secretary, as the scrutinizer to supervise the e-voting process. The results shall be intimated to the Stock Exchanges viz. BSE and NSE. The results shall also be uploaded on the Company's website and on the website of KFintech. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

I would like to take this opportunity to appreciate the efforts taken by each and every employee of our Company in ensuring quality services and advisory to our investors during the lockdown period. I would like to thank all our stakeholders, who are part of UTI family, for having confidence in the management.

I extend my best wishes for all shareholders and their families and wish everyone the best of health.

I look forward to meet you again next year.

Thank you all for attending the meeting and I hereby declare the 18<sup>th</sup> Annual General Meeting of UTI Asset Management Company Limited, as closed.

\*\*\*\*\*