

Transcript of the 19th (Nineteenth) Annual General Meeting of UTI Asset Management Company Limited held on Monday, the 25th July, 2022 at 04:00 pm (IST) through Video Conferencing (VC) / Other Audio Video Means (OAVM) at its Registered Office in Mumbai

Moderator:

Good afternoon, all the members.

The requisite quorum is present for this Annual General Meeting. I request, company secretary to start the proceedings of the meeting.

Thank you.

Company Secretary:

Good evening to all members & Directors of the Company. I welcome all of you to this 19th Annual General Meeting of the Company.

I am happy to mention that 111 shareholders are attending this meeting.

We would like to inform you that the facility for joining this meeting through video conference and other audio-visual means has been made available to all the shareholders in compliance with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Notice for convening this meeting and the Annual Report for financial year (FY) 2021-22 of the Company *inter-alia*, containing the audited standalone and consolidated financial statements for the FY ended 31st March, 2022 along with the Directors' and Auditors' Report, have already been circulated to you through the permitted mode and with the permission of Chairman and shareholders, I take them as read. As there is no qualification in the Auditors' Report, it is not required to be read.

The relevant statutory records 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 Question & Answer session (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.

Now, I would request Mr. Dinesh Kumar Mehrotra, Chairman of the Company to address the members.

Chairman:

Dear Members, a very Good Afternoon!

It gives me a great pleasure to welcome you all to this 19th Annual General Meeting of UTI Asset Management Company Limited. We hope that you and your family members are healthy, safe and at good health.

I would also like to extend a warm welcome to the senior management team of UTI, my fellow Directors on the Board and our Auditors to this Annual General Meeting being held through video conferencing. Your company has made adequate arrangements to enable shareholders to participate and vote on 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.

The Company has made all possible efforts to enable members to participate and vote on the items being considered at this meeting. The Company has provided e-voting facility through KFintech for voting on resolutions set forth in the Notice of this meeting.

I would like to introduce our board members and other key invitees and mention the place from where they are participating in 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 so that our shareholders can identify them):

1. Mr. Deepak Kumar Chatterjee, Independent Director & Chairman of the Audit Committee – attending from New Delhi;
2. Mr. Edward Cage Bernard, Nominee Director & Chairman of Stakeholders Relationship Committee – attending from New Hampshire;

3. Mr. Narasimhan Seshadri, Independent Director & Chairman of the Nomination & Remuneration Committee – attending from Bengaluru;
4. Mr. Rajeev Kakar, Independent Director & Chairman of Risk Management Committee – attending from Dubai;
5. Ms. Dipali Sheth, Independent Director & Chairperson of CSR Committee – attending from Mumbai;
6. Ms. Jayashree Vaidhyanathan, Independent Director & Chairperson of Digital Transformation Committee – attending from Chennai; and
7. Mr. Imtaiyazur Rahman, Chief Executive Officer & Whole-time Director of your Company – attending from Corporate Office in Mumbai.

Mr. Flemming Madsen and Mr. Sanjay Varshneya could not participate in this AGM.

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

Mr. Sameer Mota, Partner of M/s. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors and Mr. Vishal N. Manseta, Practicing Company Secretary, the Secretarial Auditor and Scrutinizer for the purpose of scrutinizing e-voting process are also participating in the meeting.

Chairman's speech:

Dear All,

It has been reassuring to witness the world pursue its journey to newer and higher accomplishments with a refreshed zeal. The FY 2021-22 witnessed acceleration in the recovery from the pandemic that plagued us in the previous two years. Despite the turbulence, the Indian economy is expected to remain one of the fastest growing major economies backed with strong fundamentals.

With the evolving investment landscape in the country, the capital markets and the Mutual Fund industry have emerged as key investment avenues for the new-age as well as the conventional investors. An indicator of this is the six-fold growth that the Mutual Fund industry has witnessed in the past decade. This growth has been supplemented with the rising awareness and financial literacy among the investors.

The performance of the equity markets has been a major contributor to the mutual fund growth story. Equity-oriented funds, like in the past, will continue to drive the growth of

the Mutual Fund industry. Debt-oriented schemes are expected to keep the momentum going with the improving business outlook and economic growth. In the long term, the mutual fund industry is projected to sustain a high growth trajectory driven by the positive trends in the economy and investment landscape. With a wide presence across the country, UTI remains on track to be a part of this growth journey.

With the broadening outlook, the business world is rethinking priorities and exploring newer journey towards sustainability. Considering this, UTI remains on the path to assimilate best practices into its processes, policies and systems.

UTI has a well-established reputation of being an independent and trusted asset manager. It is a professionally managed listed company that observes best corporate governance practices and has a strong Independent Board of Directors. The company has the right leadership in the form of an effective and reliable senior management that brings strategic direction for the Company to progress with the guidance and supervision of a competent Board.

I would like to express my gratitude for your constant support and encouragement towards the Company and management, it has helped us fortify this value-creating organization. I would also like to express my sincere appreciation towards our employees who have demonstrated adaptability and dedication to the organization despite the testing times.

I extend my best wishes to you and your families.

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

Thank you.

CEO's Speech:

Thank you Chairman.

Dear Shareholders, Directors and distinguished colleagues,

A very Good Afternoon to all of you.

It is my honour and privilege to welcome you to the 19th Annual General Meeting of UTI Asset Management Company Limited (UTI AMC) for the FY 2021-22.

Today, it is a momentous day for us as honourable **Shrimati Droupadi Murmu** became the youngest President of India. She takes the Office of the President today as the second woman and the first person from India's tribal communities to serve as our President.

Global and Indian Economy

During the year, the world witnessed developments on various fronts which also affected the global business and economic growth outlook. However, the key sectors of the Indian economy are poised for growth, with the necessary boost provided by the Government.

Indian Capital Markets

The Indian capital markets accelerated the revival of the economy in the fiscal 2022, despite the volatility. While recording an impressive growth during the year, the Indian stock markets outperformed their global peers.

Mutual Fund Industry and UTI AMC

The Mutual Fund Industry has been a beneficiary as well as contributor to the growth journey of the capital markets and the Indian economy. UTI AMC, as a pioneering member of the industry, has constantly persevered to deliver quality to all its shareholders by harnessing our capabilities and by staying committed to our conviction.

During the year, we sharpened our focus on our People, Processes and Performance.

KPIs and AUM

I am glad to inform you that the Key Performance Indicators (KPIs) for the company remained highly satisfactory during the fiscal. For the second consecutive year, UTI Mutual Fund AUM has continued to grow at a higher rate than the industry. We recorded a growth of 22.4% against the industry growth of 19.5%.

The Quarterly Average AUM for our domestic mutual fund business stood at ₹2.24 lakh crore. This has led to an increase in our market share taking it to 5.83% at the end of the year. The Group AUM for UTI AMC reached ₹13.49 lakh crore as of 31st March, 2022.

Brand and B30

The brand 'UTI' has maintained over the years, a reputation for its services and integrity.

Our well-entrenched presence throughout the country, especially in the 'Beyond 30' (B30) locations allows us to resonate trust within the customer fraternity. 108 of our 167 UTI Financial Centres (UFCs) are located in these B30 areas, which contribute about 23% to UTI MF's Monthly Average AUM while for the industry they contribute only 17% of the MAAUM.

Product development

During the year, we launched 4 mutual fund schemes – 3 passively managed schemes – UTI BSE Sensex Index Fund, UTI Low Volatility Index Fund and UTI Midcap 15 Quality 50 Index Fund; and 1 actively managed scheme - UTI Focused Equity Fund.

Financial performance

Your company's financial performance improved on the back of strong net inflows and judicious cost control measures implemented. During the year, your company earned a standalone Profit After Tax (PAT) of ₹ 418 crore and a consolidated PAT of ₹ 534 crore.

The Return on Equity (ROE) for the company on a consolidated basis stood at 16% for the fiscal, whereas the PAT margin stood at 40%.

The Board has recommended a final dividend of ₹21 per share for FY 2021-22 as against ₹17 per share for FY 2020-21. The dividend for FY 2022 amounts to 63.75% of the PAT as compared to 61.29% of the PAT for FY 2021.

Fund Management

We are a professionally managed AMC led by an accomplished Board of Directors and Trustees, a competent senior leadership, and a dedicated fund management team. We continue to build a prudent in-house research team and a highly efficient fund management team. We are also embedding ESG considerations and principles of responsible investing into our investment processes and have engaged with independent external ESG rating agencies as well as our investee companies in this regard.

Marketing and Digital Initiatives

We have always endeavoured to be our customers' most trusted and relevant financial partner. We are dedicated to expand our reach to a growing number of investors through our 3D Model – Digital, Direct and Distribution.

During the year, we conducted over a 1,000 of Investor Awareness Programs (IAPs) across the country for different target audiences, with the objective of creating awareness about investment and financial planning.

We launched UTI Amplify – a platform designed especially for our partners to assist in investor engagement. We also launched ‘Insta Pay’ facility – the first of its kind instant commission payout facilities for our distributors.

Our Digital Transformation Committee of the Board is guiding our initiatives in identifying and working with the trends in technology, making the digital team future ready and judiciously investing in technology and infrastructure needed for the company’s future requirements.

Subsidiaries

Our subsidiary companies too continue to remain focused on their sustained growth.

UTI Retirement Solutions Limited (UTI RSL) recorded over 21% growth in its AUM and crossed the ₹2 lakh crore mark. We had engaged the services of external consultants to better design our strategic business plans for UTI RSL.

UTI International Limited also witnessed an 8% growth in its AUM. India Dynamic Equity Fund, UTI International’s flagship equity fund domiciled in Ireland, has registered a growth of 46% during the year. The company also launched UTI India Sovereign Bond ETF listed on Amsterdam Stock Exchange (AEX). We are also looking forward to start our new office at Paris, France to better access the European markets and are awaiting the regulatory approvals.

UTI Capital Limited with an AUM of ₹ 1,088 crore, currently manages 2 private debt funds – UTI Structured Debt Opportunities Fund I & II and launched a multi-strategy fund – UTI Multi Opportunity Fund I during the year, which is currently in investing stage.

The E, S & G

We are currently integrating the best of ESG practices into our business strategy, processes, and systems. Our ESG Committee of the Board provides us with valuable guidance in our journey.

We are actively attempting to reduce our carbon emissions, improving our energy efficiencies, and implementing superior waste management systems. During the year, our

corporate office received Green Energy Certificate for consumption of 100% renewable energy.

Our people – our employees and our partners – are the most valuable asset for us. With strong policy frameworks and evolving practices, we seek to create a balanced and harmonious work environment for our employees where every individual contributes to the organizational goals while developing themselves.

We are also dedicated to create a difference in the lives of the communities by facilitating education, health, and overall development in the marginalized and vulnerable sections of the society. Our Corporate Social Responsibility (CSR) initiatives are dedicated to develop our local communities and rural areas with a special focus on the development of youth and children, especially those with disabilities.

Coming to Governance, integrity & transparency in all our actions and communications has always been a top priority for this organisation. We constantly endeavour to ensure compliance with all legal and regulatory requirements and remain as a responsible organization known for its best corporate governance practices. We will continue to sharpen our redressal mechanisms to ensure optimum compliance and accountability in the systems.

The journey ahead

I would like to reiterate our commitment towards all our stakeholders – to strive to be the most trusted brand, the most efficient asset manager, the most preferred employer and provide best-in-class services. We shall continue to adopt the best practices and cater to the changing needs with a sharper focus on our long-term goals.

As I conclude, I would like to extend my sincere gratitude to the team at UTI for all their efforts, the Board of Directors and Trustees for their guidance and all the stakeholders for their constant support in UTI's journey.

My heartfelt thanks for your continued trust that propels us to become better and better every day.

I now request Mr. Arvind Patkar, Company Secretary, of UTI AMC to proceed further with the agenda items.

Company Secretary:

Thank you Sir.

I will now provide the brief about the four 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 31st March, 2022, the Directors' and Auditors Report and the resolutions have been proposed as ordinary resolution.

ITEM NO. 2: pertains to declaration of final dividend of ₹ 21 per equity share for the financial year ended 31st March, 2022 and the resolution has been proposed as an **ordinary resolution**.

ITEM NO. 3: pertains to the appointment of Mr. Flemming Madsen (DIN: 02904543), who retires by rotation, as a Nominee Director and the resolutions have been proposed as **ordinary resolution**.

The Company has received consent from Mr. Madsen to act as director. In view of broad knowledge, diverse skills, leadership capabilities, expertise in financial industry and vast global business experience of Mr. Madsen, the board has recommended his appointment.

ITEM NO. 4: pertains to the appointment of Mr. Imtaiyazur Rahman (DIN: 01818725), as Managing Director and the resolutions have been proposed as ordinary resolution.

The Company has received consent from Mr. Rahman to act as Managing Director of the Company. The Nomination and Remuneration Committee and the Board are of the view that Mr. Imtaiyazur Rahman possesses the requisite knowledge of industry and has diverse skills, leadership capabilities, expertise in financial industry and vast business experience which would be of immense benefit to the Company and hence, it is desirable to appoint him as Managing Director. More details have been disclosed in the explanatory statements annexed to the Notice of this AGM.

The Company has issued the Notice of this AGM, which contains the proposal & detailed resolutions. The proposed agenda and resolutions along-with the adequate explanatory statements, were already circulated to the members; therefore, with the permission of Chairman, we may take all resolutions as read.

Chairman:

Yes, we should take all resolutions as read.

Company Secretary:

Thank you Sir.

Dear Shareholders,

We would like to inform you that your Company has provided e-voting facility through KFinTech (the RTA of the Company) for voting on resolutions set forth in the Notice of this AGM. The remote e-voting commenced at 09.00 am (IST) on Friday, 22nd July, 2022 and has ended on Sunday, 24th July, 2022 at 05.00 pm (IST). The voting rights were reckoned on the basis of number of shares held by the members as on the cut-off date, *i.e.* 18th July, 2022. Since, the members were provided with e-voting facility, there will be no voting by show of hands at this meeting as per the statutory provisions.

Those Members, 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 conclusion of this AGM as announced by the Chairman.

Since this meeting is being 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.

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

Chairman:

Yes, we can start with the Q&A session.

Company Secretary:

Thank you Sir.

The members 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. Members may please note that first we will take all questions together and those will be answered thereafter one by one. We request you to restrict your questions to the agenda of this meeting.

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

Q&A Session:

Moderator requested the members who have registered themselves as speakers for this AGM to ask questions and express their views and seek clarifications, if any.

The members asked the questions, which *inter-alia* include:

1. What are the future prospect of the asset management company for next two to three years?
2. How will the Company strive to create wealth for investors in next two to three years?
3. How will the Company reward the investors amidst the market crisis?
4. How many disabled employees are recruited in the Company?
5. What are the alternate initiatives taken by the Company for single use plastic items?
6. Whether the Company had made arrangement for Covid-19 vaccination (booster dose) for the employees?
7. Whether the Company had any plan for buy-back in order to use the cash reserve?
8. What is the present situation of AMC industry?
9. What is the UTI’s market share in India?

The Chief Executive Officer and 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:

1. The members appreciated the management on declaration of competitive dividend, increase in profitability, growth in asset under management, competent management, empowerment of woman employees etc.
2. The members suggested to conduct the next Annual General Meeting through hybrid mode (both VC / OAVM and in person).

3. The members suggested the management to evaluate the buy-back option from its large cash reserves after considering the tax benefits.

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.

Members, who have not exercised their voting rights through remote e-voting, may still cast their votes electronically on KFintech's platform which will be available for next 15 minutes. Therefore, members who have not cast their votes 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. Bombay Stock Exchange and National Stock Exchange. 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. 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 members 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 19th Annual General Meeting of UTI Asset Management Company Limited, as closed.
