

Transcript of 17th Annual General Meeting of UTI Asset Management Company Limited held on Friday, the 27th November, 2020 at 04:00 pm (IST) through Video Conferencing / Other Audio Visual Means

Moderator:

We would request the chairman sir to kindly began the proceedings of the meeting. Thank you.

Chairman:

Dear Shareholders, it gives me great pleasure to welcome you to the 17th Annual General Meeting of UTI Asset Management Company Limited held through video conferencing. We hope that each of you and your family members are healthy and safe in this unprecedented time of COVID – 19 pandemic.

This meeting is being held through video conference in accordance with the circular issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Company has made all efforts feasible to enable shareholders to participate and vote on the items being considered at this meeting.

Participation of members 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 to order.

Before I start the meeting, I would like to introduce our board members and other key invitees who are participating through video conferencing.

From the Board members we have the following directors. I request the director to raise their hands as their name are called:

- A. Mr. Deepak Kumar Chatterjee, Chairman of Audit Committee;
- B. Ms. Dipali H Sheth;
- C. Ms. Jayashree Vaidhyanathan;
- D. Mr. Narasimhan Seshadri, Chairman of Nomination & Remuneration Committee;
- E. Mr. Rajeev Kakar;

- F. Ms. Uttara Dasgupta, Chairperson of CSR Committee and representative of Stakeholder Relationship Committee; and
- G. Mr. Rahman, Whole-time Director and Chief Executive Officer of your Company.

Mr. Ed Bernard and Mr. Flemming Madsen could not participate because they are in different time zones and they have other functions in their country.

Mr. Ashok Shah could also not join the meeting due to his pre-occupation.

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, representative of M/s. G D Apte & Co., our Statutory Auditors, and Mr. Vishal N. Manseta, our Secretarial Auditor and the Scrutinizer for the purpose of e-voting results.

I would now request Company Secretary to provide general instructions to the members regarding participation in this meeting.

Company Secretary:

Thank you Chairman Sir.

Good evening all the members of the Board and the shareholders of the Company, this meeting is being conducted through video conferencing in compliance with circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

I am happy to mention that 62 members are present at this meeting through video conferencing.

The Notice convening this meeting and the Annual Report containing the audited standalone and consolidated financial statements for the financial year ended 31st March, 2020, along with the Report of Board of Directors and Auditors thereon, have already been circulated through the permitted mode to you 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 members 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 members 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 members asking questions depending on the availability of time.

Now, I would request Chairman Sir to address the shareholders:

Chairman:

Thank you Mr. Arvind.

At the very outset, I am pleased to share with you that despite the unprecedented conditions due to COVID – 19, your company was able to successfully complete its IPO and got listed on the Stock Exchanges in the month of October 2020.

Your company is India's first mutual fund and over the period of time, we have developed a strong brand recognition amongst investors as a Board governed independent asset manager which distinguishes us from most of our major competitors.

Your company has a total live investor folios of 1.09 crores and a strong presence in B 30 markets. We have the lowest complaints against folios (0.002%) as compared to our peers as of 31st March 2020.

In response to the lockdown due COVID-19 pandemic outbreak, we strategized a remote engagement model and enabled full spectrum of our existing digital initiatives – online platforms & mobile applications, to ensure business continuity; which enabled our employees to work in an efficient manner.

There has been no adverse material impact in our overall investor services as we ensured seamless transition to online transactions and uninterrupted delivery of services during the lock down period.

Our consolidated total income has been Rs. 889.96 crores in FY 2020 compared to Rs. 1,081.13 crores in FY 2019. Our consolidated profit after tax was Rs. 271.47 crores in FY

2020 compared to Rs. 356.85 crores in FY 2019.

The decrease in Total Income was due to decrease in AMC fee, primarily result of loss of AUM in debt funds, affected by adverse Indian credit market conditions.

Our CSR activities are mainly in the areas of Health and Education. The total amount invested on CSR for the fiscal years ended March 31, 2020 has been Rs. 5.5 crores. We have contributed Rs. 1 crore to PM Citizen Assistance and Relief in Emergency Situations Fund (“PM Cares”) following the outbreak of the COVID-19 pandemic.

Mr. Ashok Shah has resigned from the Board and the term of Ms. Uttara Dasgupta will come to end at the conclusion of this AGM. So I put on record their rich contributions to the deliberations at the Board Meetings and to the growth of the Company.

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

Mr. Rahman please.

Chief Executive Officer:

Thank you Chairman.

Dear Shareholders,

It is indeed my great honor to welcome you on the first AGM of listed UTI Asset Management Company Limited. Though it’s 17th AGM but it’s a first AGM of UTI Asset Management Company Limited as listed company now.

The last quarter of the financial year 2019-20 witnessed an unprecedented COVID-19 pandemic, which affected business and indeed our life severely. I am happy to inform you that your Company during this pandemic, continued its business operations seamlessly and our investors enjoyed uninterrupted services.

As on 31st March, 2020, the average domestic AUM of UTI Mutual Fund was Rs. 1,51,513 crores however our total group AUM was Rs. 9,79,847 crores. The Company’s consolidated PAT

was impacted due to the correction in the stock market and we registered a consolidated PAT of Rs. 271.47 crores but our standalone PAT for the financial year 2019-20 was Rs. 309.16 crores.

Your company serves a diverse group of individual, and institutional investors through a wide variety of funds and services. Our bouquet of service includes – managing the domestic mutual funds, providing Portfolio Management Services to institutional clients as well as to HNIs. We also manage retirement funds, offshore funds and alternative investment funds. During the financial year 2019-20, we won new mandates Employees State Insurance Corporation (ESIC), The Coal Mines Provident Fund Organisation (CMPFO) and Employees' Provident Fund Organisation (EPFO) under our PMS division. Our group companies, UTI Capital, UTI Retirement Solutions and UTI International continued to work for growing their respective business activities and enhancing UTI visibility globally.

The core mission of UTI AMC is to improve the investment performance and we remain committed and completely focused on it. In order to provide consistent fund performance, we have further built up the investment and credit research team by bringing in new fund manager and analysts. We have brought in changes in our investment strategy and reviewed our Risk Management processes. This initiatives have started yielding good results.

As of 31st March 2020, 71% of our Equity AUM was in the 1st and 2nd quartile on a one year as well as on three years basis. I am happy to share with you that, as of 30th September 2020, 75% of our Equity AUM was in the 1st and 2nd quartile however on three year basis 81% of them was in the 1st and 2nd quartile. On the Debt side, we have reversed the trend and 80% of our fixed income fund are in 1st and 2nd quartile on a one year basis and on three year basis, 78% of them are in the 1st and 2nd quartile.

Significant progress has been made by your company in implementation of Enterprise wide Architecture and building a robust IT infrastructure like, we have implemented the Bloomberg asset, an investment manager software, to improve the efficiency of our investment operations. Preparing customer database to assist in customer retention and cross selling. We are ensuring adequate security governance and operating model. We are optimizing IT infrastructure towards reducing cost of operations. As we move forward, we aim to adopt world class technology to provide customer delight with innovative experiences for our investors.

We shall continue to sharpen our growth strategy by driving superior investment performance across our categories of funds, enhancing our customer base through geographical reach, exploring new partnership opportunities and expanding distribution channels, leveraging

technology and digitisation. The team at UTI will continue to work in the best interest of our investors and make efforts to remain resilient to enhance the value of its stakeholders. We believe that we have are appropriately blessed to remain competitive in the market. We are reaching out to new geography and further consolidating our position to beyond 30 centres.

We have taken initiatives for enhancing shares and increasing interaction of fund managers with distributors and clients. We have added 4,500 new distributors and conducted over 535 outreach programme covering 20,000 and above participants. Our focus is to increase share of wallet in the top 15 cities. We are fully committed for our ESG initiatives.

For the financial year 2020-21 onwards, I am happy to inform you that our Dividend Policy as approved by the Board which *inter-alia* states that the Board may declare dividend equivalent to 50% or more of the Profit after Tax of the Company.

I am at pain to share with you that we lost the life of 3 of our beloved employees in the last few months. Our condolence with their family. We did our best to support their family. We have put in place a sound policy of health and safety norms for our employees who attend office. I wish all of you a great health and a happy and prosperous year 2021. Thank you.

I would now request 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 your Company has provided e-voting facility through KFin Technologies Private Limited for voting on resolutions set forth in the Notice of AGM. The voting commenced on November 24, 2020, and ended on November 26, 2020. The voting rights were reckoned on the shares held as on the cut-off date, i.e. November 20, 2020. Since the shareholders are provided with e-voting facility, there will be no voting by show of hands at the meeting as per the statutory provisions.

Those Members, who have not exercised their voting rights through remote e-voting, may also 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 7 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 Statement of the Company for the financial year ended on 31st March, 2020 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 ₹7/- per equity share for the financial year ended 31st March, 2020 on equity shares and the resolution has been proposed as an **ordinary resolution** which *inter-alia* reads as under:

“Resolved,
that the proposal to declare dividend of Rs. 7/- per equity share (70%) of the face value of Rs. 10/- each as recommended by the Board of Directors out of the current profits of the company for the Financial Year ended on 31st March, 2020 to those shareholders whose name appear on the company’s Register of members as at the close of business hours on Friday, 20th November, 2020 be and is hereby approved.”

ITEM NO. 3 pertains to authorizing the Board of Directors to fix the remuneration of the Statutory Auditors and the resolution has been proposed as an **ordinary resolution** which *inter-alia* reads as under:

“Resolved,
that the Board of Directors of the Company be and are hereby authorised to fix the remuneration (excluding GST, travelling and other out of pocket expenses) of the Statutory Auditors for the financial year 2020-21.”

ITEM NO. 4 pertains to re-appointment of Mr. Flemming Madsen, who retires by rotation and being eligible, offers himself for re-appointment and the resolution has been proposed as an **ordinary resolution**. The Company has received consent from Mr. Madsen to act as director. In view of the broad knowledge and rich experience of Mr. Madsen, the board has recommended his reappointment and the resolutions *inter-alia* reads as under:

“Resolved,
that in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, Mr. Flemming Madsen (DIN: 02904543), who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

ITEM NO. 5 pertains to ratification of article 129 of the Articles of Association of the Company and the resolution has been proposed as a **special resolution**. The Board recommends the Special Resolution which *inter-alia* reads as under:

“Resolved,
that pursuant to the provisions of the Articles of Association of the Company, Article 129 of the Articles of Association of the Company as outlined in the Explanatory Statement be and are hereby approved and ratified by the Members.”

For next Item, Mr. Mehrotra is an interested director. Therefore, Mr. N. Seshadri to take the position of Chairman:

ITEM NO. 6 pertains to re-appointment of Mr. Dinesh Kumar Mehrotra as an independent director and in view of the broad knowledge and rich experience of Mr. Mehrotra, the board has recommended his reappointment as an Independent Director for second term. The resolution has been proposed as a **special resolution** which *inter-alia* reads as under:

“Resolved,
that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Mutual Funds) Regulations, 1996, as amended, and pursuant to the provisions of the articles of association of the Company, Mr. Dinesh Kumar Mehrotra (DIN: 00142711), who has provided his consent to act as an independent director of the Company and submitted a declaration that he meets the criteria for appointment as an independent director under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and who is eligible for re-appointment under applicable laws, be and is hereby re-appointed as an independent director of the Company for a period of 5 (five) consecutive years from 28th November, 2020 to 27th November, 2025, not liable to retire by rotation.”

For next Item, Mr. Seshadri is an interested director. Therefore, Mr. Mehrotra to take the position of Chairman:

ITEM NO. 7 pertains to re-appointment of Mr. Narasimhan Seshadri as an independent director and in view of the broad knowledge and rich experience of Mr. Seshadri, the board has recommended his reappointment as an Independent Director for second term. The resolution has been proposed as a **special resolution** which *inter-alia* reads as under:

“Resolved,
that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Mutual Funds) Regulations, 1996, as amended, and pursuant to the provisions of the articles of association of the Company, Mr. Narasimhan Seshadri (DIN: 03486485), who has provided his consent to act as an independent director of the Company and submitted a declaration that he meets the criteria for appointment as an independent director under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and who is eligible for re-appointment under applicable laws, be and is hereby re-appointed as an independent director of the Company for a period of 5 (five) consecutive years from 28th November, 2020 to 27th November, 2025, not liable to retire by rotation.”

The explanatory statements on the above special businesses were also sent along with the Notice of the AGM.

Chairman:

Members, who have not exercised their voting rights through remote e-voting, may cast their vote electronically on KFintech platform which should be available for next 15 minutes. Therefore, members 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 on which the Company’s shares are listed, namely, BSE Limited and National Stock Exchange of India Limited. 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 shareholders, who are part of UTI family, for having

confidence in the management. I wish good health for all and look forward to meet you again next year at the AGM.

Since there is no further agenda, I thank everybody and I declare the proceedings of the meeting as closed.
