

**Transcript of 4<sup>th</sup> Annual General Meeting of Utkarsh Small Finance Bank Limited Held at 11.00 am on 20<sup>th</sup> July, 2020**

**Corporate Participants:**

Mr. Kajal Ghose	Independent Director & Chairman of Nomination & Remuneration Committee
Ms. Kalpana Prakash Pandey	Independent Director & Chairperson of Stakeholder Relationship Committee
Mr. Puranam Hayagreeva Ravikumar	Independent Director & Chairman of Audit Committee of the Board
Mr. Govind Singh	Managing Director & Member (Attended through VC from Mumbai)
Mr. Mukund Barsagade	Chief Financial Officer (Attended through VC from Mumbai)
Ms. Nutan Anand Rane	Company Secretary (Attended Through VC from Mumbai)

**Ms. Nutan Rane, Company Secretary**

Good Morning Dear Shareholders and the Directors present.

I welcome you all on behalf of Utkarsh Small Finance Bank Limited to its 4th Annual General meeting which is being held today through video conferencing. We have kept the VC connection open half an hour before the scheduled time of AGM which is 10.30 am. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting.

This Annual General Meeting is being held through video conferencing in accordance with the circulars and guidelines issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India Subsequent to the MCA circular of 8th April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporate is entitled to appoint authorized representatives to attend the AGM through VC, other audio/video means. The registered office of the Bank situated at Varanasi, Uttar Pradesh, shall be deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be made here at. To transact the businesses as mentioned in the notice, the members were provided an opportunity to inspect all documents referred to in the notice and the explanatory statement by writing to the company at its email ID, i.e., [secretarial.usfb@utkarshbank.com](mailto:secretarial.usfb@utkarshbank.com) till the date of AGM. The Chairman of AGM would be responding to Members queries if any at the end of the meeting. With this, I now hand over the proceedings to the Chairman of AGM. Thank you.

**Mr. P. H. Ravikumar, Independent Director & Chairman of Audit Committee and Chairman of the AGM**

Thank you, Nutan.

Good Morning everybody. I welcome you all to the 4<sup>th</sup> Annual General Meeting of your company. I would like to mention that in view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed, and therefore, this AGM today has been convened through video conferencing or other audio/visual means in compliance with the companies act 2013, read with specific circulars dated 8th April 2020, 13th April 2020 and 5th May 2020 issued by the Ministry of Corporate Affairs, Government of India, which exempt physical attendance of the members to the AGM venue. The quorum being present, I declare the meeting open.

The notice convening this meeting and the director's report had already been emailed to all shareholders and are taken as read. I welcome other colleagues on the board of your company to the 4<sup>th</sup> Annual General meeting. Now let me introduce the Board Members present.

1. **Mr. Kajal Ghose**, independent director and Chairman of the Nomination & Remuneration Committee. joining this AGM from his residence Kharghar, Mumbai today.
2. **Ms. Kalpana Prakash Pande**, an Additional Director in independent category and Chairman of the Stakeholders Relationship Committee, joining this AGM from his residence Kurla, Mumbai today.
3. **Ms. Anita Ramachandran**, Nominee Director, Utkarsh CoreInvest Limited, joining this AGM from her residence, Lower Parel, Mumbai today.
4. **Mr. Govind Singh**, Managing Director & CEO, joining this AGM from his residence Navi Mumbai and is also present in his capacity as Nominee Members of Utkarsh CoreInvest Limited – the Holding Company of the Bank.

Further from Management side, Mr. Mukund Barsagade, the Chief Financial Officer, has also joined the AGM today.

In addition, Mr. Mangilal Agiwal, Associate Director – Representative of Haribhakti & Co. LLP, Statutory Auditors and Ms. Aparna Gadgil, Partner, M/s. S.N. Ananthasubramaniam & Co.- Secretarial Auditors have also joined us today.

The requisite quorum is present and therefore, I call the Meeting to order.

The Register of Director and Key Managerial Personnel and their Shareholding and Register of Contracts in which Directors are interested, are available and will remain accessible to the Members for inspection electronically, if they so desire.

### **Key Highlights of the performance of the Bank for the Financial Year 2019-20**

Mr. Mukund Barsagade, the Chief Financial Officer of the Bank

Good Morning and a warm welcome to the Directors and the Members present to the 4<sup>th</sup> AGM of the Bank. I am presenting before the Members the key highlights about the performance of the Bank during the last financial year 2019-20 and the achievements made by the Bank during that period.

- Gross Advances grew by 40.46% to ₹6,660.00 Crore from ₹4,741.55 Crore as of March 31, 2019
- Deposits grew by 38.08% to ₹5,235.21 Crore from ₹3,791.39 Crore as of March 31, 2019
- Cost of funds decreased by 55 bps from 9.81% in FY19 to 9.26% for FY20. Primarily on account of decrease in cost of deposits and also gradual repayment of grandfathered loans
- Net Interest Margin for FY20 was 10.73% vs. 10.18% for FY19, an improvement of 55 bps.
- Cost to Income ratio for FY20 was 57.63% vs. 58.65% for FY19.
- Gross Non-Performing Assets (GNPA) as of March 31, 2020 stands at 0.71% (March 31, 2019: GNPA 1.39%).
- Net Non-Performing Assets (NNPA) stands at 0.18% (March 31, 2019: NNPA 0.12%).
- The Bank has created COVID Provision of ₹49.96 Crore (0.75% of Gross Portfolio).
- In addition, the Bank has also created provision on SMA of ₹1.40 Crore in line with RBI circular No. RBI/19-20/220 dated April 17, 2020.
- The Bank Recorded Profit Before Tax of ₹250.41 Crore & Profit After Tax of ₹186.74 Crore during FY20.
- Capital Adequacy Ratio (CAR) stands at 22.19%

#### Key Financial Highlights

Sl	Particulars	31-Mar-2020 (Actual)	31-Mar-2019 (Actual)	Absolute Growth (Mar/Mar) (YOY)	Growth % (YOY)
1	Balance Sheet	9,404	6,236	3,168	50.80%
2	Gross Advances	6,660	4,740	1,918	40.46%
a)	<i>JLG</i>	<i>5,856</i>	<i>4,077</i>	<i>1,779</i>	<i>43.63%</i>
b)	<i>MSME</i>	<i>246</i>	<i>165</i>	<i>81</i>	<i>49.28%</i>
c)	<i>Housing Loan</i>	<i>85</i>	<i>38</i>	<i>47</i>	<i>123.80%</i>
d)	<i>Wholesale Lending</i>	<i>310</i>	<i>273</i>	<i>37</i>	<i>13.56%</i>
e)	<i>BC</i>	<i>123</i>	<i>61</i>	<i>62</i>	<i>102.25%</i>
f)	<i>OD against FD</i>	<i>39</i>	<i>127</i>	<i>(87)</i>	<i>(69.08%)</i>

<i>g)</i>	<i>Staff Loan</i>	<i>1</i>	<i>1</i>	<i>(1)</i>	<i>(56.06%)</i>
3	Deposits	5,235	3,791	1,444	38.08%
<i>a)</i>	<i>CASA</i>	<i>707</i>	<i>379</i>	<i>327</i>	<i>86.24%</i>
<i>b)</i>	<i>RTD</i>	<i>1,655</i>	<i>787</i>	<i>868</i>	<i>110.27%</i>
<i>c)</i>	<i>ITD</i>	<i>2,874</i>	<i>2,625</i>	<i>249</i>	<i>9.48%</i>
4	Net Interest Margin	10.73%	10.18%	0.55%	5.44%
5	Cost of Fund	9.26%	9.81%	(0.55%)	(5.67%)
6	GNPA	0.71%	1.39%	(0.68%)	(48.99%)
7	NNPA	0.18%	0.12%	0.05%	44.92%

I will be glad to answer any questions, which any Member may like to ask on the financial statements or other matters. Since none of the Members raised any question, I request Mr. P. H. Ravikumar, Chairman of the AGM, to take up the Ordinary and Special Business as stated in the Notice of AGM.

**Mr. P. H. Ravi**

Thank you Mukund.

The notice of the 4th Annual General Meeting and the Annual Report, containing Audited Financial Statements for the year ended March 31, 2020 and Board's and Auditors' Reports, have been sent by electronic mode to those Members whose e-mail addresses are registered with the Company or Depositories. These documents have also been made available on the Company's website. Considering the above, the Notice is being taken as read.

In terms of the notice of the 4th Annual General Meeting, the following items of ordinary business are to be considered and voted by the Members at this meeting:

**Ordinary Businesses:**

**i) Adoption of Annual Audited Accounts for FY 2019-20 along with the Directors' Report, and Statutory Auditor's Report**

The Financial Statements of the Company for the financial year ended March 31, 2020 including the reports of Board of Directors and Auditors have already been provided to the Members.

**ii) Re-appointment of Ms. Anita Ramachandran (DIN 00118188) as a Director, retiring by rotation and being eligible offered herself for re-appointment**

Ms. Anita Ramachandran Director retiring by rotation and being eligible offered herself

for re-appointment, be and is hereby reappointed as Director whose office is liable to retire by rotation

**iii) Appointment and fixation of remuneration of Statutory Auditors – M/s Haribhakti & Co. LLP, Chartered Accountants (FRN 103523W/W100048)**

The appointment of M/s Haribhakti & Co. LLP, as statutory Auditors of the Bank be and is hereby approved by the Members for the financial year 2020-21

**Special Business:**

**iv) Appointment of Ms. Kalpana Prakash Pandey (DIN 06715713) as an Independent Director**

The text of the resolutions along with explanatory statement is provided in the Notice circulated to the members.

The Members of the bank approved the appointment of Ms. Kalpana Prakash Pandey (DIN 06715713) as an Independent Director of the Bank for consecutive term of 5 years from the date of her appointment by the Board on 29<sup>th</sup> April 2020.

All the items of business as per the notice of the 4th Annual General Meeting have been taken-up. I now declare the proceedings of the Annual General Meeting as completed.

On behalf of the Board of Directors and management of Utkarsh Small Finance Bank Limited, I convey our sincere thanks to all the Members for attending and participating at this meeting. Please stay healthy and stay safe and take care of yourselves. Thank you very much, have a good day.