

Transcript of 5th Annual General Meeting of Utkarsh Small Finance Bank Limited held at 01:00 P.M. on July 30, 2021 (through Video Conferencing)

Corporate Participants:

Mr. Kajal Ghose	Independent Director (Attended through VC from Navi Mumbai)
Mr. Ajay Kumar Kapur	Independent Director (Attended through VC from New Delhi)
Ms. Anita Ramachandran	Nominee Director (Attended through VC from Bengaluru)
Ms. Kalpana Prakash Pandey	Independent Director (Attended through VC from Mumbai)
Mr. Muralidharan Rajamani	Non-Executive Director (Attended through VC from Mumbai)
Mr. Nagesh Dinkar Pinge	Independent Director (Attended through VC from Mumbai)
Mr. Govind Singh	Managing Director & CEO (Attended through VC from Navi Mumbai)
Mr. Mukund Barsagade	Chief Financial Officer (Attended through VC from Chembur Office, Mumbai)
Mr. Sachin Shamkant Patange	Chief Compliance Officer (Attended through VC from Chembur office, Mumbai)
Mr. Hitain Sharma	Chief Human Resource Officer (Attended through VC from Mumbai)
Ms. Nutan Anand Rane	Company Secretary & Compliance Officer (Attended through VC from Mumbai)
Mr. Kartik Agrawal	Chief Manager - Company Secretary (Attended through VC from H.O. Varanasi)
Ms. Ankita Khetan	Assistant Manager II - Company Secretary (Attended through VC from H.O. Varanasi)
Ms. Varsha Hardasani	Chief Manager - Company Secretary (Attended through VC from Chembur Office, Mumbai)

Ms. Nutan Rane, Company Secretary

Good Afternoon everyone,

Myself Nutan Rane, Company Secretary & Compliance Officer of Utkarsh Small Finance Bank Limited (“the Bank”) welcome you all to the 5th Annual General Meeting (“AGM”) of the Bank being conducted through Video Conferencing at 01:00 P.M., the assigned time for AGM, in accordance with the circulars and guidelines issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The registered office of the Bank situated at Varanasi, Uttar Pradesh, shall be deemed as the venue for this AGM. To transact the businesses as mentioned in the notice, the Members were provided an opportunity to inspect all documents referred in the notice and the explanatory statement by writing to the company at its email ID, i.e., secretarial.usfb@utkarsh.bank till the date of AGM.

I introduce the Board Members present. We have Mr. Kajal Ghose, Independent Director and Chairman of Nomination Remuneration Committee, Mr. Nagesh Pinge, Independent Director and Chairman of Audit Committee, Mr. Muralidharan Rajamani, Non-Independent Non - Executive Director and Chairman of Stakeholders Relationship Committee and Corporate Social Responsibility Committee, Ms. Kalpana Prakash Pandey, Independent Director and Chairperson of Customer Service Committee, Mr. Ajay Kumar Kapur, Independent Director and Chairperson of Risk Management Committee, Ms. Anita Ramachandran, Nominee Director and Mr. Govind Singh, Managing Director & CEO.

Further from the management side, we have Mr. Mukund Barsagade, Chief Financial Officer, Mr. Sachin Patange, Chief Compliance Officer, Mr. Hitain Sharma, Chief Human Resources Officer all attending the meeting from Mumbai and my Team Members Mr. Kartik Agrawal and Ms. Ankita Khetan from Head Office, Varanasi and Ms. Varsha Hardasani from Chembur Office, Mumbai.

A warm welcome to the Shareholders present and may I request them to confirm their presence and the place of attending the Meeting

In addition, Mr. Purshottam Nyati, Partner and Mr. Mangilal Agiwal, Associate Partner, M/s Haribhakti & Co. LLP, Statutory Auditors and Mr. S Viswanathan and Ms. Aparna Gadgil, Partners M/s S.N. Ananthasubramaniam & Co.-Secretarial Auditors have also joined us today from Mumbai.

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

Now, may I request the Directors present to kindly elect one of them as Chairman for the present AGM in terms of Article 18 of the Articles of Association of the Bank.

With the permission of the Directors and Members present, Mr. Kajal Ghose, Independent Director, is elected as the Chairman for the meeting as proposed by Mr. Nagesh Dinkar Pinge and seconded by Mr. Ajay Kumar Kapur.

Ms. Nutan Rane, Company Secretary and Compliance Officer

Chairman Sir, this is to confirm that the meeting is being attended by 11 members including 6 members represented by Authorised Representatives, as against the statutory requirement of 5 members. With this, I now request the Chairman of the meeting to address the meeting and give his opening remarks.

Mr. Kajal Ghose, Independent Director and Chairman of the AGM

Thank you, Nutan.

Good Afternoon to all the Shareholders and the Directors present.

I welcome you all to the 5th Annual General Meeting of your Bank. I would like to mention that this AGM is through VC/OAVM due to COVID-19 pandemic, lockdown and the social distancing norms, considering the health and safety of all our stakeholders and in particular, the shareholders and as per directions issued by Ministry of Corporate Affairs and with a view to avoid the physical presence of members at a common venue. The requisite quorum being present, I declare the meeting open. We shall now proceed with the business of AGM.

Key Highlights of the performance of the Bank for the Financial Year 2020-21

Mr. Mukund Barsagade, Chief Financial Officer

Good Afternoon and a warm welcome to the Directors and the Members present to the 5th AGM of the Bank. I am presenting before the Members the key highlights about the performance of the Bank during the last financial year 2020-21 and the achievements made by the Bank during that period.

- Gross Advances grew by 26.37% to ₹8,416 Crore from ₹6,660 Crore as of March 31, 2020
- Deposits grew by 43.42% to ₹7,508 Crore from ₹5,235 Crore as of March 31, 2020
- Cost of funds decreased by 113 bps from 9.40% in FY20 to 8.27% for FY20. Primarily on account of decrease in cost of deposits and also gradual repayment of grandfathered loans
- Net Interest Margin for FY21 was 8.20% vs. 10.13% for FY20.
- Cost to Income ratio for FY21 was 55.43% vs. 57.63% for FY20
- Gross Non-Performing Assets (GNPA) as of March 31, 2021 stands at 3.75% (March 31, 2020: GNPA 0.71%).
- Net Non-Performing Assets (NNPA) stands at 1.33% (March 31, 2020: NNPA 0.18%).
- The Bank has created COVID Provision of ₹50.13 Crore.
- 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 ₹151 Crore & Profit After Tax of ₹112 Crore during FY21.
- Capital Adequacy Ratio (CAR) stands at 21.88%.

The Balance Sheet & Profit & loss account for FY 21 & FY 20 highlighting the growth of the Bank was also summarized before the members alongwith the business performance, disbursement and collection trends.

I request the members to raise query, if any, we would address the same.

Ms. Nutan Rane, Company Secretary and Compliance Officer

Thank you Mukund Sir, we have not received any query.

Dear Members, Notice dated July 08, 2021 convening this Annual General Meeting and a copy of the Annual Report containing Audited Financial Statements for the year ended March 31, 2020 and Board's and Auditors' Reports for the financial year ended March 31, 2021, has already been circulated to Members of the Company electronically. With the permission of Members, I shall take the same as read.

In terms of the Notice of the 5th Annual General Meeting, the following items of ordinary business are to be considered and voted by the Members at this meeting:

ORDINARY BUSINESSES:

- 1. Adoption of the Audited Financial Statements of the Bank for the Financial Year ended on March 31, 2021, and the Reports of the Board of Directors and the Auditors' thereon.**

The Financial Statements of the Company for the financial year ended March 31, 2021 including the reports of Board of Directors and Auditors have already been provided to the Members.

The Chairman put the motion to vote and declared the resolution is approved unanimously.

- 2. Re-appointment of Ms. Anita Ramachandran (DIN0118188), who retires by rotation and being eligible, has 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.

- 3. Re-appointment of M/s Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration Number 103523W / W100048 as Statutory Auditor and fixing their remuneration.**

Mukund Barsagade, Chief Financial Officer

The re-appointment of M/s. Haribhakti & Co. LLP was approved by Audit Committee of the Board Bank vide their meeting held on June 08, 2021, and the Board of Directors on June 09, 2021, which was subject to approval of Reserve Bank of India ("RBI"). The Bank has received the approval from RBI on June 21, 2021 in terms of Section 30A(1) of the Banking Regulation Act 1949 for appointment of M/s. Haribhakti & Co. LLP for FY 2021-22 for third year. We are seeking now the approval of the Shareholder for their reappointment as Statutory Auditors in terms of the applicable provisions of the Companies Act 2013.

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 2021-2022.

SPECIAL BUSINESS:

- 4. Re-Appointment of Mr. Govind Singh as the Managing Director & Chief Executive Officer of the Bank for further period of 3 (three) years with effect from September 21, 2021 to September 20, 2024.**

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

Mr. Hitain Sharma, Chief Human Resources Officer/ Ms. Nutan Rane, Company Secretary and Compliance Officer

Dear Members,

The term of the incumbent Managing Director & CEO of the Bank, Mr. Govind Singh is due for completion on September 20, 2021 in terms of previous RBI and Members approval for a tenure of 3 years w.e.f. September 21, 2018. In this regard and in furtherance to the recommendations of Nomination and Remuneration Committee (“NRC”) of the Board in its meeting held on February 15, 2021 and the Board of Directors in their meeting held on February 16, 2021 have approved the re-appointment of Mr. Govind Singh as Managing Director and CEO of the Bank for a term of 5 (Five) years w.e.f. September 21, 2021, subject to approval of RBI and the members of the Bank. Further the Bank and authorized officials have submitted an application to RBI on March 09, 2021 for the same.

The Bank has received a letter from Department of Regulation, RBI CO dated June 29, 2021 approving re-appointment of Mr. Govind Singh as Managing Director and CEO of the Bank for a further period of 3 (three) years w.e.f. September 21, 2021.

Further, the Board, at its meeting held on July 06, 2021, pursuant to the recommendation of the Nomination and Remuneration Committee on July 05, 2021, noted and further recommended to the Members for their approval, the reappointment of Mr. Govind Singh as the Managing Director & CEO of the Bank, for a further period of three (3) years, with effect from September 21, 2021, till September 20, 2024 (both days inclusive). Pursuant to the relevant provisions of the Articles of Association of the Bank, Mr. Govind Singh shall not be liable to retire by rotation in terms of the provisions of Section 152 of the Act, during his tenure. A brief profile of Mr. Govind Singh was given to the members in the explanatory statement.

The Members of the bank approved the appointment of Mr. Govind Singh (DIN 02470880) as Managing Director and CEO of the Bank for consecutive term of 3 years w.e.f. September 21, 2021, to September 20, 2024 (both days inclusive).

All the items of business as per the Notice of the 5th Annual General Meeting have been taken up. I would request Chairman Sir to conclude the meeting by extending vote of thanks to all the Members.

Acknowledgement

Mr. Kajal Ghose, Independent Director and Chairman of this AGM

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

The Meeting concluded at 2.00 P.M.