

**MINUTES OF THE THIRTY SECOND (32<sup>ND</sup>) ANNUAL GENERAL MEETING OF BELSTAR MICROFINANCE LIMITED (“THE COMPANY”) (Formerly known as Belstar Investment and Finance Private Limited ) HELD AT THE REGISTERED OFFICE OF THE COMPANY AT OLD NO. 14, NEW NO. 33, 48<sup>TH</sup> STREET, 9<sup>TH</sup> AVENUE, ASHOK NAGAR, CHENNAI – 600 083 ON FRIDAY, SEPTEMBER 18, 2020 BETWEEN 02.45 P.M. TO 3.10 P.M. THROUGH VIDEO CONFERENCE**

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**PRESENT**

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|---------------------------|---|
| 1. Mr. A Subramanian      | Independent Director - Chairman of the Board                            |
| 2. Dr. Kalpanaa Sankar    | Managing Director   |
| 3. Mr. S Chandrasekar     | Whole-time Director   |
| 4. Mr. V A George         | Independent Director- Chairman of Nomination and Remuneration Committee |
| 5. Mr. K Venkataraman     | Independent Director -Chairman of Risk Management Committee             |
| 6. Mr. Chinnasamy Ganesan | Independent Director - Chairman of Audit Committee                      |
| 7. Mr. K R Bijimon        | Director-Chairman of Stakeholder Relationship Committee                 |
| 8. Mr. George Alexander   | Director  |
| 9. Mr. George M Jacob     | Director  |
| 10. Mr. Sunil Kumar Sahu  | Company Secretary   |
| 11. Mr. L Muralidharan    | Chief Financial Officer   |
| 12. Mr L Pattabiraman     | Senior Partner From M/s N Sankaran & Co                                 |

**MEMBERS PRESENT**

**❖ IN PERSON:**

- |                           |   |
|---------------------------|---|
| 1. Dr. Kalpanaa Sankar    | Member  |
| 2. Mr. Padmanabhan        | Joint Management Trustee, of M/s. Sarvam Financial Inclusion Trust, Kanchipuram |
| 3. Mr. L Muralidharan     | Authorized Representative, of M/s. Hand In Hand Consulting Service Pvt. Ltd.    |
| 4. Mr. K R Bijimon        | Authorized Representative of M/s Muthoot Finance Ltd                            |
| 5. Mr. Siva Vadivelazagan | Authorized Representative of Maj Invest Financial Inclusion Fund II K/S         |

**CHAIRMAN:**

As Chairman of the Board Mr. A Subramanian was facing technical issues, he was unable to attend the first 15 minutes of the meeting. The Members therefore elected Mr. Vadakkakara Antony George, Independent Director of the Company as Chairman of the 32<sup>nd</sup>AGM of the Company. This was proposed by Dr. Kalpanaa Sankar, Member and seconded by Mr. Padmanabhan, Joint Managing Trustee, M/s. Sarvam Financial Inclusion Trust, Member.

The Chairman welcomed all the members present at the 32<sup>nd</sup> Annual General Meeting. The Chairman informed that Mr. David Arturo Paradiso, Director of the company conveyed his inability to attend the meeting owing to preoccupation. The members took note of the same. The Chairman introduced the Directors, Statutory Auditor , Chief Financial Officer and Company Secretary of the Company present in the meeting.

The Chairman informed that in view of the restrictions due to outbreak of COVID-19 and considering the social distancing norms the Company has taken all feasible efforts under the current circumstances to enable members to participate through video conference and vote at the AGM. This meeting has been convened and being conducted in accordance with the circulars issued by Ministry of Corporate Affairs.

On the request of the Chairman, the Company Secretary briefed the members about the general instructions for participation in the meeting. The Company Secretary also informed the Shareholders that the relevant registers as per the provisions of Companies Act, 2013 are open for inspection in electronic mode.

**QUORUM:**

After this the Chairman ascertained the presence of the requisite quorum and called the meeting to order. The Chairman thanked the members for accepting the notice for convening the AGM through video conference.

The Chairman informed that 5 members holding 37520324 nos. of shares were personally present.

The Chairman informed the Members that the Report of Board of Directors, Accounts for the financial year ended 31<sup>st</sup> March, 2020 and the Notice convening the 32<sup>nd</sup> AGM were taken as read as the same had already been circulated to the Members. As there were no qualifications in the Statutory Audit Report and Secretarial Audit Report, it was not required to be read.

The Chairman invited Members present in person to ask questions and offer their comments, if any, on the Annual Report or Notice to the Annual General Meeting. There was no question raised.

The Chairman in his welcome speech highlighted the impact of COVID-19 on the economy with specific reference to the financial services sector within which Microfinance is one of the adversely affected one. The challenges have been on 3 fronts namely- impact on livelihood of our borrowers who are part of the poor strata of the society, new sanctions from banks and other lenders and the ambiguity in government and regulatory policies and guidelines. He further went on to say that Belstar had withstood these and other ground level challenges, and with the continued support of all the stakeholders, is poised to become one of the best in class in the MFI space. He highlighted that in the last 2-3 decades the corporate world had faced many such crisis and the companies which bounced back sooner than others followed a hybrid strategy- neither defensive nor aggressive. Focus was on improving operational efficiencies rather than cutting manpower, cost cutting wherever feasible and efforts towards new product development, process refinement, staff training, technology etc. We are seeing that Belstar is following this hybrid strategy, and on the road to bounce back to pre Covid normalcy.

The Chairman thereafter took up the items of Business set out in the Notice of the Meeting.

**ORDINARY BUSINESS:**

**Item No. 1 – To receive, consider, and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, with Reports of the Board of Directors and Auditors thereon.**

The following **Ordinary Resolution** was proposed by Dr. Kalpanaa Sankar and seconded by Mr. Mr. Padmanabhan.

**“RESOLVED THAT** the Audited Financial Statements of the Company for the Financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors thereon be and are hereby considered, approved and adopted.”

On being put to vote by show of hands, the above Ordinary Resolution was carried out unanimously.

**Item No. 2 - Declaration of dividend of Re. 0.60 per equity share of face value of Rs. 10/- each (6%) for the financial year ended March 31,2020.**

The following **Ordinary Resolution** was proposed by Mr. K R Bijimon and seconded by Dr. Kalpanaa Sankar.

**“RESOLVED THAT** a Final Dividend @ 6.00% i.e. Re. 0.60 per equity share of Rs. 10/- each for the Financial year 2019-20, as recommended by the Board of Directors, be and is hereby approved”

On being put to vote by show of hands, the above Ordinary Resolution was carried out unanimously.

**Item No. 3 – Appointment of a Director in place of Mr. George Muthoot Jacob (having DIN: 00018955) who retires by rotation and being eligible, offers himself for re-appointment.**

The following **Ordinary Resolution** was proposed by Dr. Kalpanaa Sankar and seconded by Mr. Siva Vadivelazagan.

**“RESOLVED THAT** Mr. George Muthoot Jacob (DIN: 00018955), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

On being put to vote by show of hands, the above Ordinary Resolution was carried out unanimously.

There being no other items on the agenda, the Chairman declared the floor open for the members, Directors for any comments and/or clarification.

Mr Subramaniam, Chairman of the Board, expressed his satisfaction on another good performance from the company.

To a query raised by Mr Bijimon, on the performance of Belstar in FY 20-21, Managing Director thanked the members for their support and informed the situation in the field is slowly returning to normalcy and the company is targeting to achieve a portfolio of around Rs 3300 crs by March 2021.

The Chairman then mentioned that a more clearer picture will emerge once moratorium is lifted, decision on moratorium compounding interest waivers is taken by the Supreme Court and hence it may be a bit early to look at projected numbers.

Mr Venkatraman, Independent Director, shared his thoughts that since Belstar does not charge interest on interest, this matter should not impact the company. Moreover, the ground situation in rural and semi-urban areas is still better than urban and hence Belstar which is more rural focused, can look for a decent growth in the remaining period until March 2021 and wished the company the very best.

Mr George M Jacob while thanking the members for re-appointing him as a Director, wished the very best to the Belstar management to come out strong from the crisis and be a shining light not only within the MFI sector but also amongst the Muthoot subsidiaries.

The Chairman thanked all the Shareholders, Directors, employees, clients, lenders, and regulatory authorities for their continued support.

The Chairman announced that necessary quorum was present throughout the meeting and there being no other business to transact, he declared the meeting as closed.

The meeting ended with a vote of thanks to the Chair.