

Issue Details

Issue Size	2,152 – 2,160 Crores	Price Band:	₹ 552 - ₹ 554
IPO Date:	29 th September 2020 – 1 st October 2020	Offer Ratio:	QIB:50%, HNI:15%, Retail: 35%
Bid Lot:	27 Equity Shares and in multiples thereafter		

Company Profile

UTI Asset Management Company Limited is the second largest asset management company in India in terms of Total AUM and the eighth largest asset management company in India in terms of mutual fund QAAUM as of June 30, 2020, according to CRISIL. As of June 30, 2020 they also had the largest share of monthly average AUM attributable to B30 cities of the top ten Indian asset management companies by QAAUM as of June 30, 2020, according to CRISIL.

As of June 30, 2020, the total QAAUM for the domestic mutual funds ("Domestic Mutual QAAUM") was ₹1,336.3 billion, while the Other AUM was ₹8,493.9 billion. With 10.9 million Live Folios as of March 31, 2020, their client base accounts for 12.2% of the approximately 89.7 million folios that, according to CRISIL, are managed the Indian mutual fund industry. As of June 30, 2020, their distribution network includes 163 UTI Financial Centres ("UFCs"), 257 Business Development Associates ("BDAs") and Chief Agents ("CAs") (40 of whom operate Official Points of Acceptance ("OPAs")) and 43 other OPAs, most of which are in each case located in B30 cities. Their IFAs channel includes approximately 53,000 Independent Financial Advisors ("IFAs") as of June 30, 2020.

They provide Discretionary PMS to the Employees' Provident Fund Organization ("EPFO"), the Coal Mines Provident Fund Organisation ("CMPFO"), the Employees' State Insurance Corporation ("ESIC"), the National Skill Development Fund ("NSDF") and to HNIs, Non- Discretionary PMS to Postal Life Insurance ("PLI"), and Advisory PMS to various offshore and domestic accounts.

Competitive Strengths

- Well-positioned to capitalise on favourable industry dynamics, including the under-penetration of mutual fund products
- Pure-play independent asset manager with strong brand recognition and diverse portfolio of funds and services
- Multiple distribution channels with wide reach and broad and stable client base
- Long-term track record of product innovation, consistent and stable investment performance and AUM growth
- Established position in retirement solutions through product innovation and large retirement fund mandates
- Experienced management and investment teams supported by strong governance structures and human resources programs
- Enhanced profitability driven by size and product mix

Financials (Restated Consolidated)

(₹ In Millions)

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Equity Share Capital	1,267.87	1,267.87	1,267.87
Reserves	26,357.09	24,775.85	22,406.46
Net Worth	27,624.96	26,043.72	23,674.33
Long term borrowings	-	-	-
Short term borrowings	-	-	-
Profit Before Tax	3,454.46	4,912.46	5,454.29
Net Profit for the year	2,764.85	3,479.27	4,050.91

Key Risk Factors

- Company's investment management agreements and other business commitments may generally be terminated by the counterparties on little or no notice, making their future client and income base unpredictable
- Reductions of the expense limits prescribed under SEBI regulations may impact the profitability and cause them to decrease marketing and other efforts on behalf of the funds.
- The business is subject to extensive regulation, including periodic inspections by SEBI and by the Pension Fund Regulatory and Development Authority ("PFRDA"), and their non-compliance with existing regulations or SEBI's or PFRDA's observations or their failure or delay to obtain, maintain or renew regulatory approvals could expose them to penalties and restrictions
- The Company, Subsidiaries and Directors are subject to litigation risks and are involved in a number of legal proceedings that, if determined against them, could adversely impact the reputation and may have an adverse effect on the business, results of operations and financial condition
- The Sponsors' shareholding in Equity Shares will be diluted after the Offer and they will own less than 51% of the outstanding shares, which may adversely affect their ability to gain and retain Government business.
- There have been certain instances of delays in complying with legal or regulatory requirements, including with respect to mandatory form filings, as well as instances in which the records of certain forms filed with the Registrar of Companies ("RoC") by the Company were filed with irregularities or could not be traced; these and other similar irregularities may lead to penalties being imposed on them and have an adverse effect on the business and operations.

(Please refer the entire list of risk factors given in section II (page 24 onwards) given in RHP)

Comparison with peers

Company	FV/Share (₹)	EPS (Basic)	RONW (%)	NAV (₹ per share)	P/E (times)
UTI AMC Ltd.	10	21.53	9.88%	217.88	-
HDFC AMC Ltd.	5	59.37	31.33%	189.34	36.54
Reliance Nippon Life AMC Ltd.	10	6.78	16.03%	42.36	40.75

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial results of the respective company for the year ended March 31, 2020 submitted to stock exchanges.

Source for our Company: Based on the Restated Financial Information for the year ended March 31, 2020.

Notes:

(1) Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the annual reports of the respective company for the year ended March 31, 2020, except for Company in which case it is sourced from Restated Financial Information.

(2) P/E Ratio has been computed based on the closing market price of equity shares available on NSE on September 21, 2020, divided by the Diluted EPS provided under Note 1 above.

(3) RoNW is computed as profit after tax (after removing profit attributable to non-controlling interest, if applicable) divided by closing net worth. Net worth has been computed as sum of equity share capital and other equity as on March 31, 2020.

(4) NAV is computed as the closing net worth divided by the number of equity shares outstanding as on March 31, 2020.

Object of the Offer

(₹ In Millions)

Particulars	Amount
To achieve the benefits of listing the Equity Shares on the Stock Exchanges and the sale of up to 38,987,081 Equity Shares by the Selling Shareholders	[●]
General corporate purposes	[●]
Total	[●]

Disclaimer:

The information contained herein are strictly confidential and are meant solely for the information of the recipient and shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written permission of JM Financial Services Ltd. ("JMFS"). The contents of this document are for information purpose only. This document is not an investment advice and must not alone be taken as the basis for an investment decision. Before taking any decision to invest, the recipient of this document must read carefully the Red Herring Prospectus issued by the company dated September 21, 2020 to know the details of IPO and various risks and uncertainties associated with the investment in the IPO of UTI ASSET MANAGEMENT COMPANY LIMITED. All recipients of this document must before acting on the given information/details, make their own investigation and apply independent judgment based on their specific investment objectives and financial position. They can also seek appropriate professional advice from their own legal and tax consultants, advisors, etc. to understand the risks and investment considerations arising from such investment. The investor should possess appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances before making any decisions on the investment. The Investor shall be solely responsible for any action taken based on this document. JMFS shall not be liable for any direct or indirect losses arising from the use of the information contained in the document and accept no responsibility for statements made otherwise issued or any other source of information received by the investor and the investor would be doing so at his/her/its own risk. The information contained in this document should not be construed as forecast or promise or guarantee or assurance of any kind. The investors are not being offered any assurance or guaranteed or fixed returns. The users of this document must bear in mind that past performances are not indicative of future results. The actual returns on investment may be materially different than the past. Securities market products and instruments including investment in IPO of UTI Asset Management Company Ltd are highly risky products/instruments and they are generally not an appropriate avenue for someone with limited resources/ limited investment and low risk tolerance. Also, investments in securities markets are subject to market risks including, without limitation, price, volatility and liquidity and capital risks. Therefore, the users of this document must carefully consider all the information given in the Red Herring Prospectus including the risks factors given in page no.24 onwards before making an investment in the Equity Shares of UTI ASSET MANAGEMENT COMPANY LIMITED.

In rendering this information, JMFS assumed and relied upon, without independent verification, the accuracy and completeness of all the data provided by the issuer UTI ASSET MANAGEMENT COMPANY LIMITED. JMFS does not warrant the accuracy, reasonableness and/or completeness of any information mentioned in this document. Also, JMFS takes no responsibility of updating any data/information in this document from time to time. JMFS, its affiliates/associates and any of its directors, officers, employees and any other persons associated with it shall not be liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this document in any manner whatsoever.

This document is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JMFS and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this report may come, are required to take note of such restrictions and comply with the same.

Registration details:

JM Financial Services Ltd.

Corporate Identity Number: U67120MH1998PLC115415

Stock Broker - INZ000195834

(NSE - Member Code- 10548 | BSE - Clearing No. 325 | MSEI - Membership No.-58300); NCDEX-1282; MCX- 56555

Depository Participant- NSDL - IN-DP-NSDL-241-2004 | CDSL - IN-DP-CDSL-236-2004.

Investment Adviser- INA000012351. Portfolio Manager- INP000000621

Mutual Fund Distributor- ARN0002; Research Analyst-INH000001196

Registered office Address: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra Pin- 400025
Tel: (91 22) 6630 3030 |Fax: (91 22) 6630 3223

Corporate office Address: 5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra Pin- 400025
Tel: (91 22) 6704 3000/3024 3000 |Fax: (91 22) 6704 3139