

### Issue Details

<b>Issue Size</b>	2,152 – 2,160 Crores	<b>Price Band:</b>	₹ 552 - ₹ 554
<b>IPO Date:</b>	29 <sup>th</sup> September 2020 – 1 <sup>st</sup> October 2020	<b>Offer Ratio:</b>	QIB:50%, HNI:15%, Retail: 35%
<b>Bid Lot:</b>	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	[●]
<b>Total</b>	<b>[●]</b>

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## **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