

Issue Detail

| | |
|-----------------------------|---|
| Type | 100% Book Built Issue |
| Issue Size (Rs. Cr) | 2,159.88 |
| Offer Price | Rs. 552 to 554 |
| Employee Discount | NIL |
| Min App Size | 27 Shares |
| Issue Open | September 29, 2020 |
| Issue Close | October 1, 2020 |
| Shares Offer | 38,987,081 |
| Face Value | Rs. 10 |
| Lead Mgrs | Kotak Mahindra Capital Co Ltd, Axis Capital Ltd, Citigroup Global Markets India Pvt Ltd, DSP Merrill Lynch Ltd, ICICI Securities Ltd, JM Financial Ltd, SBI Capital Markets Ltd |
| Listing | BSE, NSE |
| Registrar | KFin Technologies Pvt Ltd |
| Market Cap (Post Issue)(Cr) | Rs. 7024.01 |

Market cap., Issue size, shares offer are as per Upper price band

No. of shares (Post & Pre Issue)

| | |
|----------------------------|-------------|
| No. of Shares (Pre Issue) | 126,787,254 |
| Offer for Sale | 38,987,081 |
| Fresh Issue made* | - |
| No. of Shares (Post Issue) | 126,787,254 |

* No. of shares as per Upper price band

Bid allocation pattern

| | | |
|-------------------|-----|------------|
| QIB | 50% | 19,493,540 |
| Non-Institutional | 35% | 13,645,478 |
| Retail | 15% | 5,848,032 |
| Employee | - | 200,000 |

Management Team:

- Mr. Dinesh Kumar Mehrotra**
 - Designation: Non-Executive Chairman and Independent Director
- Mr. Imtaiyazur Rahman**
 - Designation: Whole-time Director and Chief Executive Officer

Company Overview

- UTI Asset Management Company 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.
- Company 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.
- Company cater to a diverse group of individual and institutional investors through a wide variety of funds and services. Company manage the domestic mutual funds of UTI Mutual Fund, provide portfolio management services ("PMS") to institutional clients and high net worth individuals ("HNIs"), and manage retirement funds, offshore funds and alternative investment funds.
- Company manages 153 domestic mutual fund schemes, comprising equity, hybrid, income, liquid and money market funds as of June 30, 2020.
- As of June 30, 2020, Company's total QAAUM for domestic mutual funds ("Domestic Mutual Fund QAAUM") was Rs.1,336.3 billion, while Other AUM was Rs. 8,493.9 billion.
- With 10.9 million Live Folios as of March 31, 2020, Company's client base accounts for 12.2% of the approximately 89.7 million folios that are managed by the Indian mutual fund industry.
- Company's history and track record in the mutual fund industry, strong brand recognition, distribution reach, performance and client relationships provide a platform for future growth.

Competitive Strengths

- Well-positioned to capitalise on favourable industry dynamics, including the underpenetration 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

Strategies

- Drive superior investment performance across categories of funds.
- Increase geographical reach and expand distribution channels.
- Actively pursue additional partnership opportunities
- Continue to develop PMS, offshore and alternative funds businesses
- Leverage technology and digitisation to enhance organisational efficiency and cost optimisation, improve customer acquisition and experience, and ensure data security.
- Continue to attract, retain and develop human capital.

Objectives of the Issue

- The objects of the Offer are 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 in the Offer.

View & Valuation

UTI AMC is second-largest asset management company in India in terms of total asset under management (AUM) and eight largest in terms of mutual fund QAAUM. Its operates different businesses which include Domestic mutual fund, Portfolio Management Services, International Business, Retirement Solutions, Venture Funds, and Alternative Investment assets. It manages 153 domestic mutual fund schemes, comprising equity, hybrid, income, liquid and money market funds. Company's Domestic Mutual Fund QAAUM was Rs 1336.3 billion as of June 30, 2020, which accounted for approximately 5.4% of the total QAAUM invested in all mutual funds in India. The issue is available at 4.2% Mcap/AUM and PE of 25.4x FY20 EPS, which is significant discount to listed peers. Considering future growth prospects in Mutual Fund industry, distribution reach and client relationships, we recommend Subscribe for longterm investors.

Business Overview

UTI Asset Management Company 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. Company 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. Company cater to a diverse group of individual and institutional investors through a wide variety of funds and services. Company manage the domestic mutual funds of UTI Mutual Fund, provide portfolio management services ("PMS") to institutional clients and high net worth individuals ("HNIs"), and manage retirement funds, offshore funds and alternative investment funds. As of June 30, 2020, Company's total QAAUM for domestic mutual funds ("Domestic Mutual Fund QAAUM") was Rs.1,336.3 billion, while Other AUM was Rs. 8,493.9 billion. With 10.9 million Live Folios as of March 31, 2020, Company's client base accounts for 12.2% of the approximately 89.7 million folios that are managed by the Indian mutual fund industry. Company's history and track record in the mutual fund industry, strong brand recognition, distribution reach, performance and client relationships provide a platform for future growth.

Company and its predecessor (Unit Trust of India) have been active in the asset management industry for more than 55 years, having established the first mutual fund in India. Company is a professionally managed company led by their Board of Directors and a dedicated and experienced management team. For purposes of the SEBI Mutual Fund Regulations, the four sponsors are the State Bank of India ("SBI"), Life Insurance Corporation of India ("LIC"), Punjab National Bank ("PNB") and Bank of Baroda ("BOB") (collectively, the "Sponsors"), each of which has the Government of India as a majority shareholder. T. Rowe Price Group, Inc., a global asset management company, is their other major shareholder (through its subsidiary T. Rowe Price International Ltd. ("TRP")).

Company have a national footprint and offer their schemes through a diverse range of distribution channels. As of June 30, 2020, Company's 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. Company's IFAs channel includes approximately 53,000 Independent Financial Advisors ("IFAs") as of June 30, 2020. Company believe that their BDA and CA network distinguishes them from other asset management companies in India, as their BDAs and CAs, who are engaged by them on an exclusive basis primarily in B30 cities, allow them to efficiently and effectively develop, maintain and service their relationships with their distributors and investors. Company's banks and distributors ("BND") channel involves distribution arrangements with domestic and foreign banks, as well as with national and regional distributors. In addition, Company have dedicated sales teams for institutional and public sector undertaking ("PSU") clients and also offer products directly through their UFCs, digital applications and website. Company's distribution channels are supported by 459 relationship managers ("RMs") (as of June 30, 2020), who interact with clients and distributors and help generate new business and maintain their existing relationships. Investors are also able to directly invest in their mutual funds through their mobile applications for customers. Company also have offices in London, Dubai, Guernsey and Singapore, through which they market their offshore and domestic mutual funds to offshore investors who seek to invest in India.

Company's clients include domestic individual investors (which represented 43.8% of the total closing AUM for their domestic mutual funds ("**Domestic Mutual Fund Closing AUM**") as of June 30, 2020), corporate and other institutional investors (which represented 45.4% of their Domestic Mutual Fund Closing AUM as of June 30, 2020), and banks and other financial institutions (which represented 3.5% of their Domestic Mutual Fund Closing AUM as of June 30, 2020). Trusts (5.7%) and non -resident Indians ("**NRIs**") (1.7%) represented the remainder of their Domestic Mutual Fund Closing AUM as of June 30, 2020.

Company manage 153 domestic mutual fund schemes, comprising equity, hybrid, income, liquid and money market funds as of June 30, 2020. Company's Domestic Mutual Fund QAAUM was Rs.1,336.3 billion as of June 30, 2020, which accounted for approximately 5.4%, or the eighth largest amount, of the total QAAUM invested in all mutual funds in India as of June 30, 2020, according to CRISIL.

Set forth below is the breakdown of Company Domestic Mutual Fund QAAUM (in absolute amounts and as a percentage of the total) by category of mutual funds:

| (Rs. in billions, except percentages) | As of June 30, | | | | As of March 31, | | | | | |
|---------------------------------------|----------------|---------------|-----------------|---------------|-----------------|---------------|----------------|---------------|----------------|---------------|
| | 2020 | | 2019 | | 2020 | | 2019 | | 2018 | |
| Category of Fund | QAAUM | % of Total | QAAUM | % of Total | QAAUM | % of Total | QAAUM | % of Total | QAAUM | % of Total |
| Active | 332.70 | 24.90% | 387.50 | 24.60% | 381.90 | 25.20% | 372.60 | 23.30% | 366.70 | 23.70% |
| Passive(1) | 244.50 | 18.30% | 198.00 | 12.50% | 252.20 | 16.70% | 167.40 | 10.50% | 92.10 | 5.90% |
| Total Equity | 577.20 | 43.20% | 585.50 | 37.10% | 634.10 | 41.90% | 540.00 | 33.80% | 458.80 | 29.60% |
| Hybrid | 187.90 | 14.10% | 221.50 | 14.00% | 209.60 | 13.80% | 219.30 | 13.70% | 219.10 | 14.10% |
| Income | 193.30 | 14.50% | 318.30 | 20.20% | 213.50 | 14.10% | 391.90 | 24.50% | 487.50 | 31.50% |
| Liquid / Money Market(2) | 377.90 | 28.20% | 453.30 | 28.70% | 457.90 | 30.20% | 445.80 | 27.90% | 384.00 | 24.80% |
| Total | 1336.30 | 100% | 1,578.70 | 100% | 1515.10 | 100% | 1596.90 | 100% | 1549.40 | 100% |

1) Includes the UTI Gold Exchange Traded Fund, which had QAAUM of ₹4.8 billion as of June 30, 2020.

2) Includes the UTI Overnight Fund and the UTI Floater Fund, which had QAAUM of ₹48.9 billion and ₹13.9 billion, respectively, as of June 30, 2020.

As Per RHP

Company investment philosophy endeavours to deliver investment outperformance against benchmarks and competitors, and the their investment strategy is to have a balanced and well-diversified portfolio within each of their funds, which are subject to internal norms governing asset allocation, sectoral allocation and security selection. Company's domestic equity mutual fund management team includes 19 members, with an average of more than 11 years of experience with them, while their domestic fixed income mutual fund management team is composed of 13 members, with an average of over 12 years of experience with them.

Many of their equity mutual funds have demonstrated strong performance through economic cycles. For example, schemes representing 92.3% of the closing AUM invested as of June 30, 2020 in their six core equity strategies (being the SEBI -prescribed product categories of multi cap, large cap, large and mid cap, mid cap, value/contra and ELSS, which according to CRISIL collectively accounted for 78.1% of industry open-ended equity scheme closing AUM as of June 30, 2020) have outperformed their respective benchmark indices (by an average of 1.3% per annum, weighted by AUM as of June 30, 2020) for an average return (weighted by AUM as of June 30, 2020) of 9.6% per annum in the ten -year period ended June 30, 2020.

Company's believe that their professional and disciplined investment approach contributes to the efficient management of their funds. Company have a rigorous internal control structure with emphasis on risk management, internal audit systems and regulatory compliance.

Company PMS business provides portfolio management services to institutional clients and HNIs. Company 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. Company were approved to manage 55.0% of the total corpus on October 31, 2019 of the Central Board of Trustees, EPF ("CBT, EPF"), accounting for Rs. 5,916.6 billion, or 84.9% of their PMS AUM as of June 30, 2020. Company's AUM for their PMS business increased from Rs. 1,158.5 billion as of March 31, 2018 to Rs. 6,890.6 billion as of March 31, 2020, representing a CAGR of 143.9%, and to Rs. 6,970.5 billion as of June 30, 2020.

Company also manage retirement funds (in their retirement solutions business, which manages the National Pension System ("NPS") funds), offshore funds (including the Shinsei UTI India Fund, a co-branded fund with Shinsei Bank of Japan) and alternative investment funds. These other businesses (excluding their domestic mutual funds and their PMS business) had an aggregate closing AUM of Rs. 1523.4 billion as of June 30, 2020.

Company consolidated total income equalled Rs. 2.7 billion and Rs. 2.4 billion for the three -month periods ended June 30, 2020 and 2019, respectively, and Rs. 8.9 billion, Rs. 10.8 billion and Rs. 11.6 billion for the fiscal years ended March 31, 2020, 2019 and 2018, respectively. Company consolidated profit after tax equalled Rs. 1.0 billion and Rs. 0.7 billion for the three -month periods ended June 30, 2020 and 2019, respectively, and Rs. 2.8 billion, Rs. 3.5 billion and Rs. 4.1 billion for the fiscal years ended March 31, 2020, 2019 and 2018, respectively.

The following table sets forth the breakdown of their Other AUM (in absolute amounts and as a percentage of the total) by category of business:

| (Rs. in billions, except percentages) | As of June 30, | | | | As of March 31, | | | | | |
|---------------------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | 2020 | | 2019 | | 2020 | | 2019 | | 2018 | |
| Category | AUM | % of Total | AUM | % of Total | AUM | % of Total | AUM | % of Total | AUM | % of Total |
| PMS(1) | 6,970.50 | 82.10% | 4,849.80 | 80.40% | 6890.60 | 83.20% | 1,332.70 | 55.60% | 1,158.50 | 56.60% |
| Retirement Solutions | 1,355.90 | 15.90% | 1,020.90 | 16.90% | 1222.00 | 14.70% | 937.10 | 39.10% | 694.80 | 33.90% |
| Offshore Funds | 156.90 | 1.80% | 147.20 | 2.40% | 157.70 | 1.90% | 118.70 | 5.00% | 187.90 | 9.20% |
| Alternative Investment Funds | 10.60 | 0.10% | 9.70 | 0.20% | 10.50 | 0.10% | 8.30 | 0.40% | 7.00 | 0.30% |
| Total | 8,493.90 | 100.00% | 6,027.60 | 100.00% | 8280.80 | 100.00% | 2,396.90 | 100.00% | 2,048.20 | 100.00% |

1) Includes assets under advisory services

As Per RHP

Revenue from operation

| (₹ in millions, and as a percentage of total income) | Three months ended June 30, | | | | Year ended March 31, | | | | | |
|--|-----------------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|
| | 2020 | | 2019 | | 2020 | | 2019 | | 2018 | |
| | Total Income (₹ in Cr) | % of Total Income | Total Income (₹ in Cr) | % of Total Income | Total Income (₹ in Cr) | % of Total Income | Total Income (₹ in Cr) | % of Total Income | Total Income (₹ in Cr) | % of Total Income |
| Interest Income | 34.2 | 1.30% | 37.5 | 1.50% | 177.9 | 2.00% | 140.5 | 1.30% | 67.5 | 0.60% |
| Dividend Income | 0.1 | 0.00% | 0.3 | 0.00% | 2.5 | 0.00% | 4.9 | 0.00% | 5.7 | 0.00% |
| Rental Income | 24.4 | 0.90% | 14.4 | 0.60% | 75.2 | 0.80% | 62.5 | 0.60% | 102.6 | 0.90% |
| Net Gain/ (Loss) on Fair Value Changes | 901.2 | 33.20% | 167.5 | 6.90% | -86.6 | -1.00% | 931.7 | 8.60% | -225.1 | -1.90% |
| Sale of Services | 1,597.80 | 58.90% | 2,038.40 | 83.80% | 7,878.90 | 88.40% | 8,906.30 | 82.40% | 9,668.60 | 83.20% |
| Net Gain/ (Loss) on Sale of Investments | 60.2 | 2.20% | 87.1 | 3.60% | 501.9 | 5.60% | 459.2 | 4.30% | 1,881.20 | 16.20% |
| Total Revenue from Operations | 2,617.90 | 96.60% | 2,345.10 | 96.40% | 8,549.70 | 96.00% | 10,505.10 | 97.20% | 11,500.50 | 98.90% |

As per RHP

Comparison of Accounting Ratios with Listed Industry Peers

As per RHP

| Name of Company | Face Value (₹ per equity share) | Closing price on September 21, 2020 (₹ per equity) | Total Income, for Financial Year 2020 (in ₹ million) | EPS(1) (₹) | | NAV(4) (₹ per share) | P/E(times)(2) | RoNW(3) (%) |
|-------------------|------------------------------------|--|---|------------|---------|-------------------------|---------------|-------------|
| | | | | Basic | Diluted | | | |
| UTI AMC | 10 | NA | 8,909.61 | 21.53 | 21.53 | 217.88 | NA | 9.88% |
| Peer Group | | | | | | | | |
| HDFC AMC | 5 | 2,164.55 | 21,434.30 | 59.37 | 59.24 | 189.34 | 36.54 | 31.33% |
| NAM-INDIA | 10 | 272.6 | 11,932.10 | 6.78 | 6.69 | 42.36 | 40.75 | 16.03% |

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.

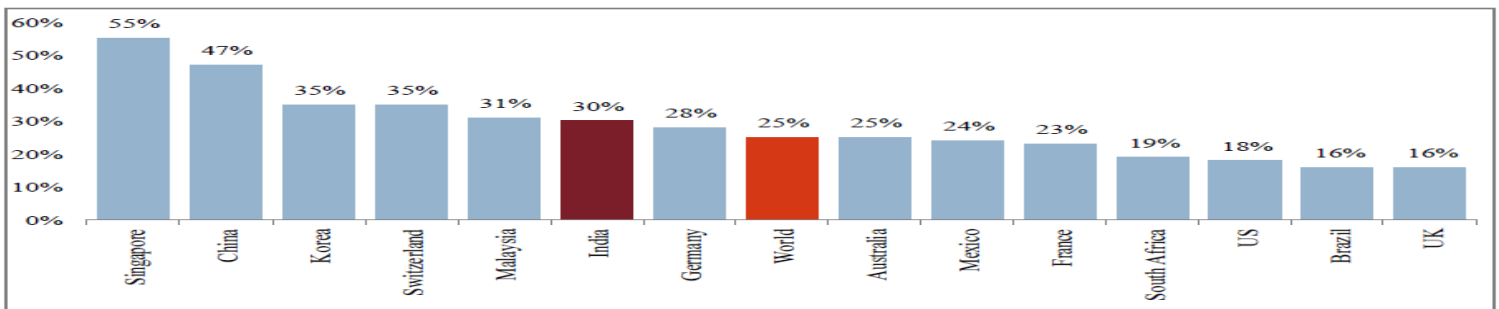
INDUSTRY OVERVIEW

As of June 2020, the International Monetary Fund (“IMF”) expects the real GDP of India for the 2020 calendar year to decline 4.5% compared to the prior year, compared to a contraction of global real GDP of 4.9%. At the same time, the IMF expects the Indian economy to experience a sharp recovery in the 2021 calendar year and projects India’s real GDP to grow at a rate of 6.0% in 2021.

India has historically been, and is expected to continue to be, a high savings economy. High savings can be used to finance investments, which can further ease supply-side constraints in the economy and drive long-term economic growth. India also has a high savings rate compared to other large economies.

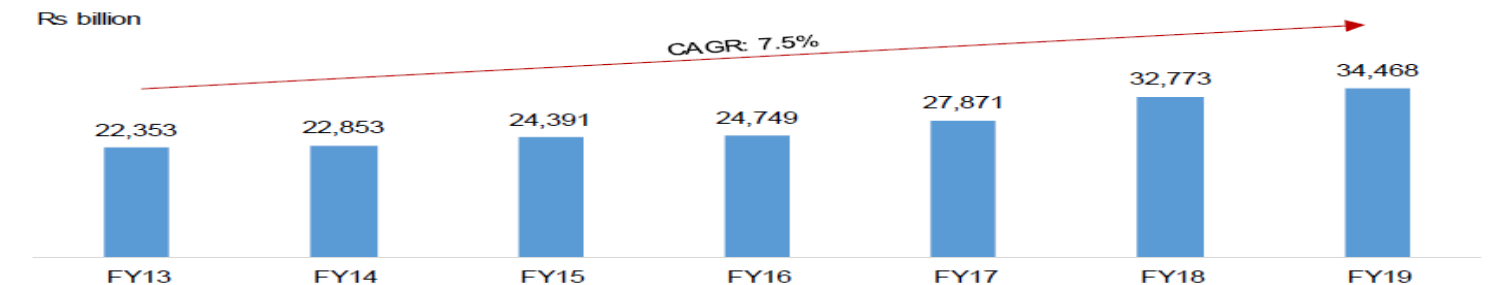
Going forward, benign inflationary pressures should reduce the attractiveness of gold and real estate (which represent physical savings of households) as investment alternatives. Considering this, along with an expected increase in financial literacy, the share of financial savings within household savings in India is likely to increase in the medium term. The Government of India’s measures to curb black money should also help increase the share of financial savings.

Gross Domestic Savings Rate (%)



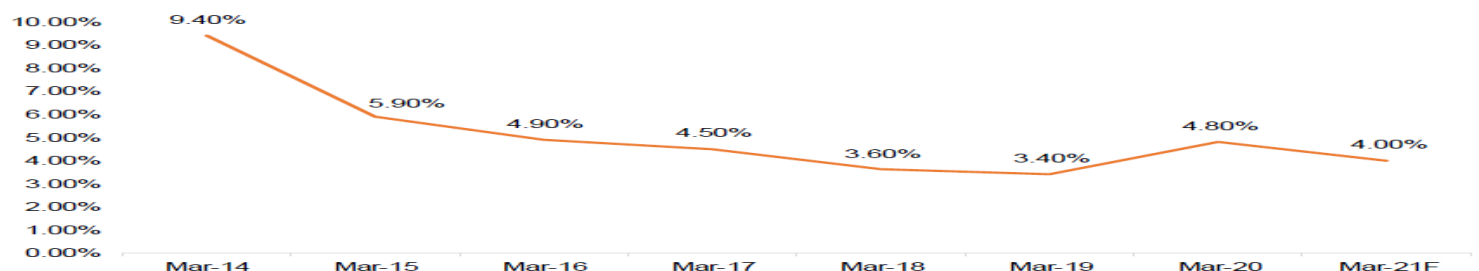
Household Savings Growth

Going forward, with stable inflation, rising disposable income levels and robust GDP growth following the recovery from the COVID-19 pandemic, CRISIL expects the growth in household savings of the past few years to continue.



Share of Savings in Physical Assets

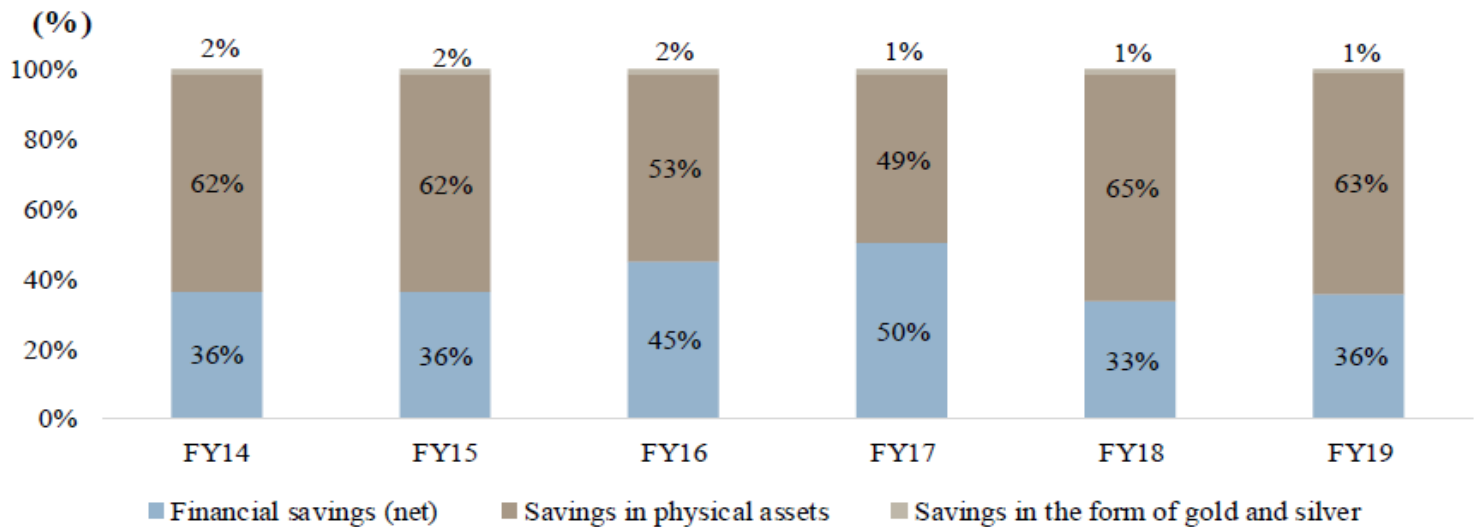
Over the past five years, CPI inflation has continued to decline, from a high of 9.4% as of Fiscal 2014 to 4.8% as of Fiscal 2020. CRISIL estimates CPI inflation for Fiscal 2021 to be at 4.0%. The demand reduction due to the COVID-19 pandemic and low commodity prices have put significant downward pressure on core inflation for Fiscal 2021.



While households' savings in physical assets have increased from 53.0% in Fiscal 2016 to 63.0% in Fiscal 2019, financial savings have decreased from 45.0% to 36.0%, which could be due to a slowdown in the economy, as a response to which people are concentrating more on physical assets.

CRISIL expects lower inflation to decrease the relative attractiveness of gold and real estate (Indian households' favourite physical assets) as investment options. Coupled with an expected increase in financial literacy, the relative outperformance of financial assets over recent years, and the Government of India's efforts to fight shadow economy activity, CRISIL expects the share of financial assets as a proportion of net household savings to increase over the next five years.

Net Household Savings



Capital Markets to Remain an Attractive Part of Financial Savings

The share of mutual funds in overall household savings has increased steadily since Fiscal 2013 and stood at 2.9% as of Fiscal 2019. With the financial sector being particularly sensitive to improved economic conditions and given the expected changes in saving patterns, CRISIL expects an increase in the share of financial assets (direct and through mutual funds and insurance) in total financial savings.

Share of Savings in Shares, Mutual Funds and Deposits Increased Post-Demonetisation

| (₹ billion) | Mar-13 | Mar-14 | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Mar-19 |
|-----------------------------------|------------|------------|------------|------------|---------------|--------------|------------|
| Gross financial household savings | 10,640 | 11,908 | 12,572 | 14,962 | 16,147 | 20,610 | 19,957 |
| Currency | 1,115 | 995 | 1,333 | 2,005 | -3,329 | 4,837 | 2,814 |
| Deposits | 6,062 | 6,670 | 6,124 | 6,445 | 9,778 | 5,309 | 7,825 |
| Shares and debentures | 170 (1.6%) | 189 (1.6%) | 204 (1.6%) | 284 (1.9%) | 1,745 (10.8%) | 1,773 (8.6%) | 778 (3.9%) |
| Mutual funds | 82 (0.8%) | 150 (1.3%) | 145 (1.2%) | 189 (1.3%) | 1,510 (9.4%) | 1,382 (6.7%) | 576 (2.9%) |
| Insurance funds | 1,799 | 2,045 | 2,993 | 2,642 | 3,543 | 3,440 | 2,585 |
| Provident and pension funds | 1,565 | 1,778 | 1,909 | 2,907 | 3,255 | 3,694 | 3,963 |
| Others | (71) | 231 | 10 | 679 | 1,155 | 1,557 | 1,992 |

Impact of COVID-19 on the Indian and Global Economies

Private consumption and investment drove real gross domestic product (GDP) growth in India from Fiscal 2014 until Fiscal 2019. Exports picked up in 2017 and the first half of 2018 in line with higher global growth but lost momentum since the second half of 2018 on the back of decelerating global economic growth driven by falling trade intensity due to rising US-China trade tensions into Fiscal 2020 as well as volatile commodity and energy prices driven by economic uncertainties owing to Brexit. India's financial sector, which is experiencing significant corrections in credit quality following the recent Infrastructure Leasing & Financial Services (IL&FS) and non-banking financial institution (NBFC) crises, caused a domino effect on the Indian economy as liquidity squeeze led to consumption slow down and decline in GDP growth. A broad-based recovery of the Indian economy was expected in the last quarter of Fiscal 2020, following the Government of India's fiscal and monetary measures, but was stalled by the outbreak of the COVID-19 pandemic, which has further disrupted the Indian economy on a scale not seen in recent years.

On March 24, 2020, the Government of India imposed a nationwide lockdown which lasted until May 31, 2020, and was followed by several state-imposed lockdowns. The associated restrictions on the movement of people and goods and their impact on business operations across the country have severely impacted supply and demand across the Indian economy. As a result, according to CRISIL, real GDP in India is projected to contract by 5% in Fiscal 2021. The non-agricultural sector of the economy has been particularly affected during the first quarter of Fiscal 2021 and employment and income levels across several service sectors, including education, travel and tourism, are expected to continue to be acutely affected in the coming quarters.

The RBI and several other key institutions of the Government of India have taken aggressive measures to alleviate financial market stress in the wake of the COVID-19 pandemic, including:

- Rate cuts and liquidity enhancements
- Broad market liquidity measures
- Special NBFCs and housing finance company ("HFCs") liquidity measures
- Debt servicing moratoria
- Credit growth policies
- Rupee volatility

'Aatmanirbhar' package

The Government of India announced the following measures as part of the 'Aatmanirbhar' package:

- A ₹450 billion partial guarantee scheme for NBFCs and a ₹300 billion special liquidity scheme for NBFCs, HFCs and MFIs aimed at addressing concerns of credit risk perception regarding mid- and small- size non-banking financial institutions;
- Collateral-free automatic loans of ₹3 trillion to businesses, including micro, small and medium enterprises ("MSMEs"): Banks and NBFCs are required to provide up to 20% of their entire outstanding credit to MSMEs. MSMEs with up to ₹250 million outstanding credit and ₹1 billion turnover are eligible for term loans at concessional rates of interest and the Government of India will provide a full guarantee of principal and interest;
- Subordinated debt of ₹200 billion to MSMEs: The Government of India will facilitate the provision of ₹200 billion as subordinated debt for stressed assets of MSMEs together with ₹40 billion partial credit guarantee support to banks for lending to MSMEs;
- Equity infusion of ₹500 billion in MSMEs: The Government of India will infuse ₹500 billion in equity in MSMEs and encourage MSMEs to list on the stock exchange;
- Clearing MSME dues and MSME guarantee scheme: The Government of India has directed central public sector enterprises to release all pending MSME payments within 45 days to boost transaction-based lending by fintech enterprises. Under the Emergency Credit Line Guarantee Scheme, banks will offer ₹3 trillion government-backed guaranteed loans to fund MSME borrowers' non-performing assets ("NPAs") to address short-term liquidity issues and provide a boost to the MSME sector;
- Global tender offers disallowed up to ₹2 billion: The Government of India will bar foreign companies from Government procurement tender offers of up to ₹2 billion, which is expected to ease competition faced by MSMEs against foreign companies;
- Loan interest subvention scheme of ₹15 billion: The Government of India provides 2% interest subvention to loans given under the Mudra - Shishu scheme up to a ticket size of ₹50,000, which are primarily given by NBFC and MFIs, thereby benefiting low income group customers; and
- Special credit facility of ₹50 billion for street vendors: The Government of India announced this scheme to facilitate easy access to credit for street vendors to offset the adverse effect of the COVID-19 pandemic and associated governmental responses on their livelihoods.

Financials Snap Shot

| Income Statement | | | | | Key Ratios | | | | | | |
|---|-----------------|-----------------|---------------|---------------|---------------|-----------------------------|---------|---------|---------|---------|---------|
| Rs in Crores | | | | | | | | | | | |
| Y/E March | FY18 | FY19 | FY20 | Q1FY20 | Q1FY21 | Y/E March | FY18 | FY19 | FY20 | Q1FY20 | Q1FY21 |
| Revenue (Net) | 1,150.05 | 1,050.51 | 854.97 | 234.51 | 261.79 | EPS | 31.95 | 27.44 | 21.81 | 5.60 | 7.97 |
| Other Income | 12.70 | 30.39 | 35.99 | 8.75 | 9.28 | Book Value Per share | 192.26 | 208.34 | 218.73 | 212.15 | 224.50 |
| Total Revenue | 1,162.75 | 1,080.89 | 890.96 | 243.26 | 271.07 | Valuation(x) | | | | | |
| Fees and Commission Expense | 1.79 | 2.11 | 2.91 | 0.64 | 0.67 | P/E (Upper Band) | 17.34 | 20.19 | 25.41 | 98.97 | 69.49 |
| Impairment on Financial Instruments | 1.90 | - | - | - | - | P/E (Lower Band) | 17.28 | 20.12 | 25.31 | 98.61 | 69.24 |
| Employee Benefit Expenses | 320.76 | 306.65 | 339.86 | 88.83 | 98.04 | Price / Book Value | 2.88 | 2.66 | 2.53 | 2.61 | 2.47 |
| Other Expenses | 256.91 | 243.55 | 162.93 | 37.03 | 38.39 | EV (crs) | 6873.82 | 6899.83 | 6904.76 | 6908.95 | 6900.15 |
| Total Expenses | 581.36 | 552.31 | 505.70 | 126.50 | 137.10 | EV/Sales | 5.98 | 6.57 | 8.08 | 29.46 | 26.36 |
| EBITDA | 581.39 | 528.59 | 385.26 | 116.77 | 133.97 | EV/EBITDA | 11.82 | 13.05 | 17.92 | 59.17 | 51.50 |
| Depreciation | 27.25 | 29.15 | 31.34 | 8.27 | 8.46 | Profitability Ratios | | | | | |
| EBIT | 554.14 | 499.44 | 353.92 | 108.49 | 125.52 | RoE | 16.62% | 13.17% | 9.97% | 2.64% | 3.55% |
| Finance Costs | 8.71 | 8.19 | 8.48 | 2.05 | 2.29 | RoCE | 22.73% | 18.91% | 12.76% | 4.03% | 4.41% |
| Profit before Tax | 545.43 | 491.25 | 345.45 | 106.44 | 123.22 | PAT Margin(%) | 35.22% | 33.12% | 32.34% | 30.27% | 38.61% |
| Exceptional item | - | - | - | - | - | EBITDA Margin (%) | 50.55% | 50.32% | 45.06% | 49.79% | 51.17% |
| Total tax expense | 140.34 | 143.32 | 68.96 | 35.46 | 22.15 | Liquidity Ratios | | | | | |
| PROFIT AFTER TAX | 405.09 | 347.93 | 276.49 | 70.98 | 101.08 | Interest Coverage Ratio | 63.63 | 60.97 | 41.76 | 52.82 | 54.74 |
| Share in Profit/(Loss) of Joint Ventures | - | - | - | - | - | Current Ratio | 7.97 | 11.29 | 11.26 | 12.63 | 13.34 |
| Profit For the Period/Year After Tax | 405.09 | 347.93 | 276.49 | 70.98 | 101.08 | Debt to Equity | 0.14 | 0.10 | 0.09 | 0.11 | 0.10 |

| Balance Sheet | | | | | Cash Flow Statement | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|---------------------|---|----------------|----------------|----------------|---------------|---------------|
| Rs in Crores | | | | | Rs in Crores | | | | | | |
| Y/E March | FY18 | FY19 | FY20 | Q1FY20 | Q1FY21 | Y/E March | FY18 | FY19 | FY20 | Q1FY20 | Q1FY21 |
| Share Capital | 126.79 | 126.79 | 126.79 | 126.79 | 126.79 | Profit / (Loss) before tax | 545.43 | 491.25 | 345.45 | 106.44 | 123.22 |
| Reserves | 2,240.65 | 2,477.59 | 2,635.71 | 2,526.39 | 2,708.14 | Adjustments for: | | | | | |
| Non Controlling Interest | 70.19 | 37.19 | 10.79 | 36.64 | 11.44 | Depreciation, amortization and impairment | 27.25 | 29.15 | 31.34 | 8.27 | 8.46 |
| Net Worth (A) | 2,437.62 | 2,641.57 | 2,773.28 | 2,689.82 | 2,846.37 | Finance Cost | 8.71 | 8.19 | 8.48 | 2.05 | 2.29 |
| LIABILITIES | | | | | | Interest Income | -6.75 | -14.05 | -17.79 | -3.75 | -3.42 |
| Non-current liabilities | | | | | | Dividend Income | -0.57 | -0.49 | -0.25 | -0.03 | -0.01 |
| Other financial liabilities | 11.33 | 8.62 | 7.80 | 20.81 | 18.28 | Rental Income | -10.26 | -6.25 | -7.52 | -1.44 | -2.44 |
| Provisions | 106.12 | 91.61 | 83.09 | 113.54 | 129.81 | Expenses on the employee stock option scheme | - | - | -10.48 | - | -9.00 |
| Current Tax Liabilities (Net) | 5.07 | 4.34 | 4.49 | 17.24 | 7.69 | Provision no longer required withdrawn (net) | 0.53 | 4.67 | 3.21 | - | -0.43 |
| Deferred Tax Liabilities (Net) | 43.83 | 36.34 | 44.45 | 39.98 | 49.88 | Impairment on Financial Instruments | 1.90 | - | - | - | - |
| Total Non-current liabilities (B) | 166.34 | 140.91 | 139.84 | 191.56 | 205.66 | Amortisation of Other Financial Instrument | 0.86 | -0.69 | 1.09 | -0.05 | 0.26 |
| Current liabilities | | | | | | (Profit) / Loss on fair value changes | 22.51 | -93.17 | 8.66 | -16.75 | -90.12 |
| Trade payables | 11.11 | 3.78 | 1.42 | 2.49 | 0.84 | (Profit) / Loss on Sale of Investment | -188.12 | -45.92 | -50.19 | -8.71 | -6.02 |
| Other payables | 149.79 | 67.63 | 64.80 | 44.11 | 32.33 | (Profit) / Loss on Sale of Property, Plant and Equipments | -0.07 | -0.07 | -0.18 | -0.02 | -0.01 |
| Other financial liabilities | 154.39 | 159.39 | 175.58 | 164.77 | 178.22 | Operating profit before working capital changes | 401.41 | 372.61 | 311.82 | 86.03 | 22.79 |
| Total Current liabilities (C) | 315.29 | 230.79 | 241.80 | 211.37 | 211.40 | Profit/(Loss) before exceptional items and tax | | | | | |
| TOTAL LIABILITIES (B+C) | 481.63 | 371.70 | 381.64 | 402.94 | 417.05 | (Increase)/ Decrease in Financial Assets Loans | 1.82 | 7.52 | -9.28 | 0.45 | 1.04 |
| TOTAL LIABILITIES (A+B+C) | 2,919.25 | 3,013.26 | 3,154.92 | 3,092.75 | 3,263.42 | (Increase)/ Decrease in other financial assets | -11.04 | -0.71 | -6.12 | -2.38 | 0.43 |
| ASSETS | | | | | | (Increase)/ Decrease in Financial Assets Trade Receivable | -16.27 | 22.49 | -18.06 | -23.11 | 3.53 |
| Non-current assets | | | | | | (Increase)/ Decrease in Financial Assets Other Receivable | 20.12 | -31.31 | 26.44 | 10.11 | 0.51 |
| Current Tax Assets (Net) | 17.06 | 32.06 | 46.11 | 43.43 | 50.06 | (Increase)/ Decrease in other Non Financial Assets | -6.72 | -2.28 | -0.45 | -4.43 | -3.57 |
| Investment Property | 11.77 | 11.25 | 10.73 | 11.12 | 10.60 | Increase/ (Decrease) in Financial Liabilities - Trade Payable | 42.46 | -94.16 | 2.10 | -24.80 | -23.63 |
| Property, Plant and Equipments | 258.55 | 252.94 | 250.39 | 251.07 | 247.11 | Increase/ (Decrease) in Other Financial Liabilities | 3.74 | 8.20 | 29.06 | 8.75 | 1.84 |
| Right of use assets | 91.27 | 83.42 | 89.65 | 84.63 | 95.94 | Increase/ (Decrease) in Non Financial Provisions | 26.75 | 42.05 | -8.52 | 21.93 | 46.72 |
| Capital work in progress | 2.29 | 0.88 | 0.28 | 2.43 | 0.57 | Increase/ (Decrease) in Other Non Financial Liabilities | 7.92 | -2.71 | -0.82 | 12.18 | 10.48 |
| Intangible assets under development | 3.12 | - | 0.76 | - | 1.91 | (Increase)/ Decrease in Other Comprehensive Income | -40.47 | -32.44 | -56.70 | -11.89 | -27.52 |
| Other Intangible Assets | 2.49 | 3.61 | 11.80 | 3.11 | 10.45 | Cash from/ (used) in operations | 429.72 | 289.25 | 269.46 | 72.84 | 32.62 |
| Other Non Financial Assets | 20.83 | 23.80 | 23.17 | 28.28 | 26.48 | Income Tax Paid | -161.16 | -166.54 | -74.74 | -30.29 | -17.48 |
| Total Non-current assets (D) | 407.38 | 407.96 | 432.88 | 424.07 | 443.11 | Net cash from operating activities (A) | 268.56 | 122.71 | 194.72 | 42.55 | 15.14 |
| Current assets | | | | | | Net cash from / (used in) investing activities (B) | -153.79 | -25.78 | -105.86 | -39.74 | -16.22 |
| Investments | 2,178.85 | 2,261.37 | 2,355.75 | 2,318.55 | 2,457.39 | Net cash from / (used in) financing activities (C) | -74.65 | -122.94 | -93.78 | -11.93 | 5.69 |
| Trade receivables | 54.92 | 63.73 | 55.36 | 76.77 | 51.32 | Net Increase / (Decrease) in cash and cash equivalents (A+B+C) | 40.13 | -26.01 | -4.93 | -9.12 | 4.60 |
| Cash and cash equivalents | 150.19 | 124.18 | 119.25 | 115.06 | 123.86 | Cash and cash equivalents at the beginning of the Year | 110.07 | 150.19 | 124.18 | 124.18 | 119.25 |
| Loans | 35.68 | 28.17 | 37.44 | 27.71 | 36.41 | Cash and cash equivalents at the end of the Year | 150.19 | 124.18 | 119.25 | 115.06 | 123.86 |
| Other Financial assets | 92.23 | 127.86 | 154.24 | 130.63 | 151.35 | | | | | | |
| Total Current assets (E) | 2,511.87 | 2,605.31 | 2,722.04 | 2,668.72 | 2,820.32 | | | | | | |
| TOTAL ASSETS (D+E) | 2,919.25 | 3,013.26 | 3,154.92 | 3,092.79 | 3,263.42 | | | | | | |

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