

## DIRECTORS' REPORT

### To the Members.

We are pleased to present the report on the business and operations of the Company along with Audited Accounts for the March 31, 2017.

### Financial Results:

Particulars	For the year ended March 31, 2017	For the year March 31, 2016
Gross Income	853.2	749.6
Gross Expenses	454.7	407.8
Profit before Tax	398.5	341.8
Tax	107.7	109.8
Profit after Tax and others	290.8	232
Dividend	50.7	46.91
Paid up Capital	126.79	126.79
Net Worth	1814	1578.6

## State of Company's Affairs – Management Discussion &amp; Analysis

a) Domestic Mutual Fund business

As of March 31, 2017 UTI Mutual Fund had 229 schemes in operation with Average Asset Under Management (AAUM) at Rs.1, as against Rs.1,06,309 crore in the previous year.

As of March 31, 2017 there were 229 Schemes/Plans offered by the UTI-MF, out of which 28 were equity funds; 193 were income funds; and 6 were balanced/hybrid funds. During the period, 2 Equity schemes and 38 Income Schemes were launched. The total dividend paid to the investors of all the schemes during the financial year 2016-17 was Rs.1902 crore.

The objective of the fund management in UTI Mutual Fund is to deliver stable and consistent returns in the medium to long term at a lower level of volatility compared to the broader market. Rigorous in-house research, a process-based approach to investment management and a focus on asset allocation and sector selection along with stock selection, are undertaken in the endeavour to consistently deliver returns in the top quartile of the peer group of funds.

### b) Oversease Funds

The AUM of Funds management by UTI International Ltd. (100% subsidiary of the Company) were Rs.21,753.5 crore as on March 31, 2019 as compared to Rs.26,132.5 crore in the previous year.

c) **Portfolio Management Services – axel**

UTI PMS division had Assets Under Management / Advise amounting to Rs.1,01,522 crore as on March 31, 2017 as Rs. 84,912.60 crore in the previous year. UTI PMS has 195 active clients which include High Net worth Individuals, Corporates, Government Organizations and Overseas Investors. During the year, UTI PMS was selected as one of the Fund Managers by Provident Fund Organisation (EPFO). UTI PMS was allocated 10% of its existing Corpus. The PMS Division has been growing in the last few years and established a good track record in terms of performance and diversification of opportunities. This Division advises its clients with investment solutions commensurate with their risk profiles and their return expectations, using research-based security selection techniques. PMS offers discretionary and research-based advisory services.

#### d) Investor Reach and Distribution

As on 31st March, 2017, UTIMF had 1.08 crore investor folios. UTI Mutual Fund has always been proactive in its communication with investors on announcements, services etc. through various mediums.

### New Initiatives

During the year, following initiatives were taken in the area of investor service:

1. B2C Mobile app for investors: In order to provide convenience to the investors to enable them to transact through their mobile app of UTI Mutual Fund was developed. The existing investors of invest@uti had the convenience of logging to the app us



Place: Mumbai  
Date : The 26th April, 2017

P.P. Pareek  
Partner  
MRN: 71213

For S. BHANDARI & CO.  
Chartered Accountants  
FRN: 000560C

Leo Puri  
Managing Director  
P N Venkatachalam  
Director  
Imtaiyazur Rahman  
Chief Financial Officer  
Kiran Vohra  
Company Secretary

For and on behalf of the Board of Directors of  
UTI Asset Management Company Limited

As per our Report of even date

The accompanying notes are an integral part of the financial statements.

Particulars	Note No.	Balance Sheet as at 31 March 2017	
		As at 31 March 2017	As at 31 March 2016
<b>I. EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	3	126.79	126.79
Reserves and Surplus	4	1,687.17	1,451.80
		<b>1,813.96</b>	<b>1,578.59</b>
Non-current liabilities			
Deferred tax liabilities (Net)	5	31.56	31.10
Other long term liabilities	6	29.62	30.55
Long term provisions	7	0.39	0.39
		<b>61.57</b>	<b>62.04</b>
Current Liabilities			
Trade payables	8	13.35	13.43
Other current liabilities	9	99.03	79.49
Short term provisions	10	16.07	10.37
		<b>128.45</b>	<b>103.29</b>
<b>TOTAL ASSETS</b>		<b>2,003.98</b>	<b>1,743.92</b>
Non - current assets			
Fixed Assets			
(i) Tangible assets	11	276.11	181.08
(ii) Intangible assets	11	1.49	2.96
(iii) Capital work-in-progress	11	3.12	2.90
		<b>280.72</b>	<b>186.94</b>
Non - current investments	12	949.42	1,094.44
Long term loans and advances	13	81.18	83.77
Other non current assets	14	32.12	31.08
		<b>1,343.44</b>	<b>1,396.23</b>
Current Assets			
Current investments	15	608.56	236.64
Trade receivables	16	12.26	15.91
Cash and cash equivalents	17	3.13	4.28
Short term loans and advances	18	36.08	90.25
Other current assets	19	0.51	0.61
		<b>660.54</b>	<b>347.69</b>
<b>TOTAL</b>	<b>2</b>	<b>2,003.98</b>	<b>1,743.92</b>

(Rs. in Crore)

## Balance Sheet as at 31 March 2017

UTI ASSET MANAGEMENT COMPANY LIMITED



**Statement of Profit and Loss for the year ended 31 March 2017**

(Rs. in Crore)

Particulars	Note No.	Year ended March 31 2017	Year ended March 31 2016
<b>Income</b>			
Revenue from operations (net)	20	757.77	687.39
Other Income	21	95.41	62.19
<b>Total Revenue (I)</b>		<b>853.18</b>	<b>749.58</b>
<b>Expenses</b>			
Employee benefits expense	22	257.77	246.11
Finance costs	23	-	-
Depreciation and amortization expense	24	12.67	11.67
Administrative and other expenses	25	182.21	149.51
<b>Total Expenses (II)</b>		<b>452.65</b>	<b>407.29</b>
Prior period items [net of tax Rs. NIL (Previous year Rs. NIL)]	26	2.01	0.47
<b>Profit Before Tax</b>		<b>398.52</b>	<b>341.82</b>
<b>Tax expenses</b>			
Current tax		120.10	112.30
Tax Adjustments for earlier years		(12.85)	(3.81)
Deferred tax		0.46	1.28
<b>Total tax expenses</b>		<b>107.71</b>	<b>109.77</b>
<b>Profit After Tax</b>		<b>290.81</b>	<b>232.05</b>
<b>Earning per equity share [nominal value of share Rs.10 (31 March 2016: Rs.10)]</b>			
Basic (in Rs.) (Refer Note 34)		22.94	18.33
Diluted (in Rs.) (Refer Note 34)		22.94	18.33
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

 For and on behalf of the Board of Directors of  
 UTI Asset Management Company Limited

 For S. BHANDARI & CO.  
 Chartered Accountants  
 FRN: 000560C

 Leo Puri  
 Managing Director

 P N Venkatachalam  
 Director

 P.P. Pareek  
 Partner  
 MRN: 71213

 Imtaiyazur Rahman  
 Chief Financial Officer

 Kiran Vohra  
 Company Secretary

Place: Mumbai

Date : The 26th April, 2017



**2.14 Impairment of assets**

At each Balance Sheet date, the management reviews the carrying amounts of assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

Reversal of impairment loss is recognized immediately as income in the Statement Profit and Loss.

**3 Share Capital**

(Rs. in Crore)

	As at 31 March 2017	As at 31 March 2016
<b>Authorised</b>		
20.00 crore (31 March 2016: 20.00 crore) equity shares of Rs.10/- each	200.00	200.00
<b>Issued, subscribed and fully paid up</b>		
12.679 crore (31 March 2016: 12.679 crore) equity shares of Rs.10/- each	126.79	126.79

**a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year**

	As at 31 March 2017		As at 31 March 2016	
	No. of shares Crore	Rs. in Crore	No. of shares Crore	Rs. in Crore
At the beginning of the year	12.679	126.79	12.632	126.32
Add: Share Issued on exercise of Employee Stock Options during the year	-	-	-	-
Add: Share issued during the year	-	-	0.047	0.47
Bought back during the reporting year	-	-	-	-
At the close of the year	12.679	126.79	12.679	126.79

The Company had introduced an Employee Stock Option Scheme called "UTI AMC Employee Stock Option Scheme 2007" (ESOP Scheme), the exercise period of all the option has ended during the FY 2014-15.

**b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL**
**d) Details of shareholders holding more than 5% shares in the company:**

	As at 31 March 2017		As at 31 March 2016	
	No. of shares Crore	% Holding	No. of shares Crore	% Holding
<b>Equity shares of Rs.10 each fully paid</b>				
State Bank of India	2.3125	18.24	2.3125	18.24
Life Insurance Corporation of India	2.3125	18.24	2.3125	18.24
Bank of Baroda	2.3125	18.24	2.3125	18.24
Punjab National Bank	2.3125	18.24	2.3125	18.24
T. Rowe Price International Limited	3.2965	26.00	3.2965	26.00
	12.5465	98.96	12.5465	98.96

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.