

# BOARD OF DIRECTORS



**Mr. Dinesh Kumar Mehrotra**  
*Non-Executive Chairman and  
Independent Director*



**Mr. Edward Cage Bernard**  
*Non-Executive  
Non-Independent Director*



**Mr. Flemming Madsen**  
*Non-Executive  
Non-Independent Director*



**Mr. Narasimhan Seshadri**  
*Independent Director*



**Mr. Deepak Kumar Chatterjee**  
*Independent Director*



**Mr. Rajeev Kakar**  
*Independent Director*



**Ms. Dipali Hemant Sheth**  
*Independent Director*



**Ms. Jayashree Vaidhyathan**  
*Independent Director*



**Mr. Imtaiyazur Rahman**  
*CEO & Whole Time Director*

# CORPORATE INFORMATION

## Directors

Mr. Dinesh Kumar Mehrotra  
Mr. Edward Cage Bernard  
Mr. Flemming Madsen  
Mr. Narasimhan Seshadri  
Mr. Deepak Kumar Chatterjee  
Mr. Rajeev Kakar  
Ms. Dipali Hemant Sheth  
Ms. Jayashree Vaidhyanathan  
Mr. Imtaiyazur Rahman

## Non-Executive Chairman

Mr. Dinesh Kumar Mehrotra

## Chief Executive Officer

Mr. Imtaiyazur Rahman

## Company Secretary and Compliance Officer

Mr. Arvind Patkar

## Chief Financial Officer

Mr. Surojit Saha

## Auditors

M/s. G. D. Apte & Co. Chartered Accountants

## Bankers

AXIS Bank Ltd.

## Registered Office

UTI Tower, 'Gn' Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051

# CONVICTION. CAPABILITIES. COMMITMENT.

Every action for achieving one's goal needs **CONVICTION**.

Every step of preparation to grow needs **CAPABILITIES**.

Every challenge leading to results, is backed by **COMMITMENT**.

---

For the last 56 years, at UTI, we have been driven by our indomitable conviction in our capabilities. We have been propelled by our constant commitment to create sustainable value for our stakeholders. And in this process, every action taken, every step advanced and every outcome of our decisions has been a result of our conviction, capabilities and commitment towards our goal. These are the foundational stones that have helped us build trust, brand name and a rich legacy to reckon with.

So, read on to know more about how our Company's exceptional resolve, proficiency and dedication has translated into robust performance, prosperity and progress as we endeavour to deliver on our promises.

# About this Report

## Basis of Reporting

This year, UTI Asset Management Company Limited, marks the first step towards our Integrated Reporting <IR> journey. As one of our principal communication documents catering to our stakeholders, this Report contains comprehensive information on our operational and financial performances. It elaborates how these influence our strategic direction, resulting in our ability to create sustainable value.

## Our Approach to Reporting

Through this Report, we aspire to provide our stakeholders with an overall depiction of the organisation's value creation ability using both financial and non-financial resources. The Report provides insights into our key strategies, operating environment, material issues emanating from our stakeholder engagements and their respective mitigation strategies, operating risks and opportunities, governance structure and our approach towards long-term sustainability.

## Reporting Period, Scope and Boundary

The reporting period for this Integrated Report is 1 April 2020 to 31 March 2021. It provides an overview of our operations and business development activities.

The Report, further covers information on our business segments in India and abroad and associated activities that enable short, medium, and long-term value creation.

## Reporting Standards and Frameworks

In this Report, we have attempted to bring in more transparency and accountability through additional disclosures and information, following the guiding principles of the International Integrated Reporting Council (IIRC). The other statutory reports, including the Director's Report, Management Discussion and Analysis (MD&A) section, the Corporate Governance Report and the Business Responsibility Report, are in line with the Companies Act, 2013 (and the rules made thereunder), Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the prescribed Secretarial Standards.

## Navigation Guide



This Report has been broadly divided into three sections – Corporate Overview, Statutory Report and Financial Statements.

We have introduced a reader-friendly navigation panel for the readers to easily identify and comprehend the section that they are reading at any given point.

The tab highlighted in **BLUE**

connotes the current section that the reader is looking at.

# CHAIRMAN'S COMMUNIQUÉ



*"Last year, despite the challenges and the subsequent business impacts, we managed to progress; determined and backed by our commitments of delivering increasing value for our stakeholders."*

## Dear Shareholders,

It is encouraging that after the economic impact felt by countries across the world due to Covid-19 induced pandemic, most economies are gradually recovering with cautious optimism. Despite the adversities, this crisis has made humanity come together, highlighting our cumulative spirit and resilience. 'Comeback from Setback' is possibly an appropriate articulation of 2020-21.

### What kept us engaged in 2020-21

To begin with, I would like to highlight a landmark event, wherein we were successfully listed on both the National Stock Exchange (NSE) and the BSE. It marked the welcoming of our valued retail and institutional shareholders into the Company. The NSE further included the equity shares of UTI AMC in the Nifty500 index w.e.f. from 1 March 2021. Besides, as a testimony to the commitment of delivering value to our stakeholders, we took the leap by coming out with our first public Annual Report, in the form of an Integrated Report <IR>.

As a Company, we have always believed in constantly evolving. And this <IR> is a part

of our evolutionary journey. It is a step closer towards our endeavour of maintaining integrity and transparency in all our communications. Our entry in this space is in line with the existing global trends of reporting.

Last year, despite the challenges and the subsequent business impact, we managed to progress; determined and backed by our commitment of delivering increasing value for our stakeholders. We restructured our sales and marketing functions, focussed more on distribution & digital outreach, improved our fund performance, incorporated ESG processes and strengthened credit research processes. Additionally, we put in place policies and governance systems wherever required for a well-run listed Company.

The pandemic made us rethink our priorities. However, our conviction of becoming a more robust investment-led organisation is something we have never deviated from. We have been progressively continuing to do so, supported by our rich 55+ years' legacy and lineage. The same was reflected in the performance of the Company during the year.

## Industry developments

The capital markets crashed during the end of March 2020, the sentiments of which carried through early April 2020 – marking an unprecedented downslide in recent memory since the 2008 financial crisis. Despite the initial uncertainties, the markets remained buoyant, with increased participation from retail and institutional investors. It is encouraging that many international organisations like the International Monetary Fund and the World Bank have forecasted the GDP growth rates amongst the highest across emerging economies like ours. The strong rebound expected in private consumption and investment growth is likely to propel the economy forward.

## Our response to Covid-19

Apart from strengthening ourselves as an organisation, we focussed on three priorities during the year — smoother business conduct, safeguarding our employees while conducting business and ensuring that we provide our investors and partners with convenient digital tools for them to transact seamlessly. We are continuously building interfaces for fintech, payments and other digital distribution platforms to ensure excellent connectivity and a better customer experience. We have implemented digital KYC for virtual interaction with new customers to ease our investors' and partners' investment journeys. These, together with many other initiatives, would enable us smoothly conduct our business without getting much affected by the situation outside.

## Outlook

Active Equity and Debt Funds will drive the evolution of the MF industry. Despite the cyclicity of flows, India is well and truly on track to ensure the financialisation of savings across the board while money is moving out of physical assets. Moreover, mutual funds are still much smaller than bank deposits, signifying more room for growth. One of the emerging themes in Equity Funds will be increasing awareness about ESG Funds, passively managed ETFs and

***“We are continuously building interfaces for fintech, payments and other digital distribution platforms to ensure excellent connectivity and a better customer experience.”***

index funds. Exchange Traded Funds (ETFs) and Index Funds are yet to gain significant traction in India. However, there is a positive trend towards these funds, especially from the public sector fund mandates and first-time investors investing through fintechs and digital platforms.

## Conclusion

On a concluding note, I would like to express my gratitude towards all our valued stakeholders. They have continuously supported and encouraged our Company and the Management, and we are deeply thankful to them for the same. Your unwavering faith, support and inspiration have helped us build a value-creating organisation. I would also like to express a special thanks to our employees. They have demonstrated exceptional flexibility and adaptability in the wake of Covid-19. Lastly, I extend my best wishes for all shareholders and their families during these testing times, wishing everyone the best of health.

**Warm regards,**

**Dinesh Kumar Mehrotra**  
**Chairman**

# CEO'S MESSAGE



*"For us, a significant development during 2020-21 was the high share of our gross sales under Equity Funds. This was visible in incremental market share."*

## Dear Shareholders,

It gives me immense pleasure to present our Company's first Annual Report after its public offer and listing on the Stock Exchanges. The listing was a momentous occasion in the illustrious history of UTI and I would like to take this opportunity to thank the Government of India, SEBI and the Shareholders for their support in the successful completion of the IPO.

The past year was undoubtedly challenging in many ways. We witnessed several developments that affected business and the macroeconomic environment across countries. The shared experience of combating the Covid-19 induced pandemic has strengthened multilateralism in global trade relations. Despite the uncertainties around renewed waves and new variants of the virus, the International Monetary Fund (IMF) expects the global economy to grow by 6% in 2021, up by 30 bps relative to their previous forecast. With the pandemic emerging as a critical risk during March 2020, the major benchmark indices viz. SENSEX and Nifty50 fell to 29,468 and 8,597, respectively, as on 31 March 2020. The Equity and Hybrid category funds saw significant erosion in the market value due to correction in the equity market. The financial year 2020-21 began amidst challenges but ended with optimism. The BSE Sensex hit a record high during 2020-21 on 16 February 2021 to cross the 52,000 mark – a testimony to the confidence of investors in India's growth story. The economic initiatives and welfare measures of the Government of India along with large scale vaccination programmes also helped in boosting investor sentiments.

## Journey of MF industry and UTI AMC

The Indian MF industry, recorded a healthy 18% CAGR for the decade, registering more than five-fold growth in AUM from INR 5,92,250 crore as on 31 March 2011 to INR 31,42,764 crore as on 31 March 2021. For the year 2020-21 itself, the industry grew by 41%, along with increasing geographical spread and broadening of the investor base.

For us, a significant development during 2020-21 was the high share of our gross sales under Equity Funds. This was visible in incremental market share, even though it was impacted by net outflow for the industry and also maturity of closed-ended schemes. During the year, UTI Mutual Fund added 5.52 lakh new SIP accounts, a jump of over 62% compared to the previous year.

Overall, we witnessed good equity performance, stabilisation and turnaround in Income Fund performance, regained lost market share, added investor folios, expanded distribution through banks, fintech, and increased digital onboarding.

I am happy to inform you that we have continued to focus on the smaller cities and towns of the country. As a result, as of March 2021, 23% of our total MAAUM (Monthly Average Assets Under Management) came from B-30 cities compared to 16% for the industry. We will continue to maintain our focus in these cities.



### Our Group companies

Our AUM, other than domestic mutual funds, reported growth of 18% Y-o-Y, amounting to INR 9.78 lakh crore as on 31 March 2021 as compared to INR 8.28 lakh crore as of 31 March 2020. The growth was led by UTI International (70% Y-o-Y), which looks after the offshore business of UTI AMC. UTI International, with its offices in Singapore, London, and Dubai, has investors spread across 35 countries and is mainly focussed on investors in Asia, Europe and Middle East. During the year, the International business saw significant development, growing by ~70% to USD 3.65 Billion in March 2021 from USD 2.09 Billion in March 2020. The growth has mainly come in our India Dynamic Equity Fund, which has crossed an AUM of USD 820 Million and is the 10th largest Indian fund amongst UCITS funds and J Safra Sarasin Responsible India Fund which has mobilised USD 125 Million in 6 months and is most likely Europe's first ESG compliant India fund. Given our track record and relationships with investors and distributors, we are confident of substantial growth in this business.

UTI RSL, manages the pension assets under the NPS of the PFRDA. It has a market share of 28.75% in the NPS. During the last one year, we have recorded strong growth of 36% in the business with the AUM growing to INR 1,66,210 crore from INR 1,22,201 crore.

UTI Capital Private Ltd. is focussed on growing the private capital investment management business of UTI AMC. During the year, backed by the success of the UTI Structured Debt Opportunities Fund I, we launched UTI Structured Debt Opportunities Fund II in the month of September 2020. Alternative Investment Funds (AIF) business in India is still in the growth phase and we feel that with our strong capability in AIFs, we will be able to substantially grow this business.

### Momentum in digitalisation

It was a year when business houses realised the criticality of digitalisation and the need to adapt to remote ways of transacting. At UTI AMC, we could transition rapidly since we have been implementing a comprehensive digital transformation programme to build our organisation's efficacy, capacity, resilience and cost-effectiveness. We took multiple initiatives with respect to application modernisation, hybrid cloud architecture adoption, business process digitalisation, enterprise data platform adoption and cybersecurity enhancement. We also have a Board level Digital Transformation Committee.

We realise that data analytics and our enterprise data platform will enhance our customers' experience further, thereby increasing customer loyalty and retention. With a

strong digital framework, we are deploying our resources to capture growth from the digital strategy. Our information security policies help us to ensure the confidentiality, integrity and availability of information adequately.

We implemented the next generation front-end trading system, Bloomberg Asset and Investment Manager. The new state-of-the-art trading system will help us improve our trade execution by providing a more responsive, agile and efficient interface for our dealing operations, with simplified risk and compliance monitoring. This will also help us reduce our tracking error and costs.

### Highlights of performance in 2020-21

#### AUM and Market Share

In terms of the AUM growth across MFs, PMS and Advisory services, we witnessed a healthy growth to touch INR 11.61 lakh crore, compared to INR 9.80 lakh crore recorded in the corresponding period last year. In our Mutual Fund QAAUM, we registered a growth of 20.7% compared to the industry growth of 18.8%. As of 31 March 2021, we recorded a AUM of INR 7.84 lakh crore under PMS, INR 1.66 lakh crore under Retirement Solutions, INR 1,576 crore under UTI Capital, and INR 26,822 crore under UTI International.

Within domestic mutual funds, AUM for the quarter in respect of Equity Funds, including ETFs/Index funds, increased by 46% Q-o-Q to INR 93,331 crore as on 31 March 2021. This was primarily driven by passive equity funds (69% Q-o-Q increase in Quarterly Average AUM as on 31 March 2021). Overall, this performance resulted in the gain of market share from 5.56% to 5.69% during the Q4 of 2020-21. UTI Mutual Fund captured 6% of the overall industry net inflow.

#### Operational highlights

Our brand recognition and goodwill among our investors and partners assisted in the following operational developments during the year:

- We manage 138 (excluding 10 segregated portfolio) domestic mutual fund schemes, comprising Equity, Balanced/Hybrid, Income, ETFs/Index, Liquid and Money Market Funds as of 31 March 2021.
- With ~23% of our AUM, we continue to have a high concentration of MAAUM in B30 markets.
- As of 31 March 2021, our distribution network included - 163 UTI Financial Centres (UFCs), 278 Business Development Associates (BDAs) and Chief Agents (CAs) and 39 Official Points of Acceptance (OPAs). Apart from this, we have partnered with approximately 56,600 Mutual Fund Distributors (MFDs), PSU & Private Banks, National & Regional Distributors and fintechs.



- As of 31 March 2021, UTI MF offered 138 Schemes/ Plans (excluding 10 segregated portfolios), out of which 24 were Equity Funds; 98 were Debt Funds; 1 Liquid Fund; 9 were ETFs/Index Funds, and 6 were Hybrid Funds.
- Our Monthly Gross SIP inflow increased by 37% Y-o-Y basis to INR 339 crore as of March 2021 from INR 247 crore as of March 2020.
- With Total Live Folios amounting to 1.1 crore as on 31 March 2021, our client base accounted for 11% of the total folios managed by the Indian MF industry.
- We had the lowest complaints against folios at 0.0006% as compared to other AMC players in the industry as of 31 March 2021 (Source: AMFI).

#### Enhancing brand & visibility

We endeavoured to promote our brand prominence through investor segmentation. During the year, we launched our media campaign which reached 2 crore+ people. We started a financial literacy programme for college students and promoted campaigns like Swatantra, Millennial Money Matters, Equal Rights Equal Responsibilities, and Expert Se Poocho, among others. We also launched our marquee event named 'The Colloquium' on 18 March 2021 with the theme 'Investing in the post pandemic world'.

#### Product development

During the year, we launched UTI Small Cap Fund, UTI Bank ETF, and UTI Nifty 200 Momentum 30 Index Funds. We are planning to launch more funds during the coming financial year after assessing the market conditions and based on the product gaps in our portfolio.

#### Financial highlights

For the year ended March 2021, we recorded a consolidated Net Profit of INR 494 crore as against INR 271 crore for 2019-20, showing a Y-o-Y growth of 82%. During the year, we undertook stringent cost control measures to manage our costs efficiently. Along with improvement in our PAT margins, our Return on Equity also reached a three-year high, touching 15% for 2020-21.

#### Enhancing investment management and risk mitigation

Our Fixed Income team has significantly enhanced its processes, including implementation of Early Warning System while strengthening the Research team. We also strengthened our risk management capabilities including technology enhancement, to mitigate risks and enable sustained growth of the Company.

*"Going forward, we are focussed on delivering consistent growth in terms of revenue, profitability, market share, and fund performance with emphasis on high-yielding products – like equity and fixed income."*

#### ESG practices

Considering the significance of ESG parameters, we have proactively initiated measures for incorporating ESG aspects in our business strategy and for setting up a Board level ESG Committee.

#### Developing talent of our people

We believe that the skills and talents of our employees are critical for our success and reliable performance. We continued focussing on training and development, empowering our people and bringing inclusion. The HR team is focussed on improving the work culture and conducting learning engagement initiatives, benchmarking compensation, and long term incentive plan, among others. With the view to building a young and vibrant organisation, we onboarded 55 trainees during the year and are looking to hire fresh graduates from colleges across the country. In order to attract and retain talent, we have an Employee Stock Option Scheme.

#### Covid-19 appropriate protocols

As soon as the pandemic broke out, we set up a core internal team to monitor and address the situation, took measures for smooth functioning of business with various customer centric measures, adopted digital ways of working, provided requisite technological support, adhered to Government guidelines and initiated outreach programmes. We continued to focus on delivering stress free services to our investors during these trying times and took all possible steps to ensure smooth and efficient business operations.

We undertook measures to ensure our employees protection & good health and facilitated a seamless transition to work

from home, supported with processes and tools for remote working, communication and collaboration. While the crisis tested the teams' resilience, it also helped sharpen our value proposition to our investors and partners.

### Future business outlook

Going forward, we are focussed on delivering consistent growth in terms of revenue, profitability, market share, and fund performance with emphasis on high-yielding products – like equity and fixed income. Our broad distribution network facilitates us to reach out to individual investors, particularly in B30 cities and other underserved areas, where we already have a stronghold. We will continue to strengthen our relationship with our institutional and PSU clients. Alongside, we will also particularly focus on developing relationships with MSME and SME institutional clients.

We are paying particular attention to growing our group AUM by accessing new markets, marketing our international funds, Alternative Investment Funds (AIFs) and Portfolio Management Services (PMS) products. The EPFO, CMPFO and ESIC mandates have helped enhance our credibility and we are leveraging our track record to pursue other opportunities.

The Retirement Solutions industry is in a nascent stage with a small percentage of the working population being under pension and social security schemes. There is a vast potential for the industry. It is expected that within the next 10 years, Pension AUM is likely to cross Mutual Fund AUM, increasing our business opportunity.

Overall, the MF industry is undergoing a fast transformation today. However, with a low AUM to GDP ratio and overall penetration as a percentage of GDP, India still lags behind countries like the US, Canada, France, and Brazil. The MF industry is still largely untapped. There are multiple growth drivers like overall economic growth, a growing investor base, higher disposable income levels, investable household surplus, higher awareness levels, and a favourable demography. These drivers have immense potential and are likely to propel growth going forward. The AMCs with a strong retail brand, large distributor network, and significant presence in B30 cities, will have the advantage of growing faster. UTI AMC is well positioned on all these fronts.

### Striving to make a difference

Our consistent focus has been on our investors and stakeholders. We have been working relentlessly to enhance value for them by implementing relevant strategies, building a stronger brand which is known for its integrity and innovation. The listing of UTI AMC has brought in enhanced governance practices & disclosures and it is our endeavour to transform the organisation as one of the finest investment

institutions, with highly skilled & strengthened investment team, committed to the welfare of all our stakeholders. Our business strategies are aligned to increase brand visibility, realise the potential opportunities, meet emerging challenges and work towards sustained growth. We endeavour to build the talent of our human resources, offer differentiated products and services and achieve excellence in all our operations. We strive to enable our investors to achieve their long-term financial goals. We aspire to provide them the best-in-class services to ensure a smooth investment journey for them. I am thankful to the Board of UTI AMC as well as the Regulators for all their support in our efforts.

### Conclusion

On a closing note, I am pleased to inform you that the Board of Directors (subject to the approval of shareholders) has approved a final dividend of INR 17 per share for 2020-21 which is approximately 61% of the PAT.

On behalf of the entire Board of Directors and the management team, I would like to thank you for your continued trust, guidance and support to us.

**With warm regards,**

**Imtaiyazur Rahman**

*Chief Executive Officer & Whole-Time Director*

# AN INTRODUCTION TO UTI ASSET MANAGEMENT COMPANY LIMITED

UTI Asset Management Company (hereinafter referred to as 'UTI AMC', 'the Company', 'we') is one of the largest asset management company (AMC) in India, in terms of Total Assets Under Management (AUM)\*. It is also the eighth largest AMC in terms of mutual fund Quarterly Average Assets Under Management (QAAUM) as of 31 March 2021.

UTI AMC is a team of one of the largest professionally managed money managers. Our investments are spread across Indian equities, fixed income, private equity and private debt. Our portfolio includes the management of the domestic mutual funds of UTI Mutual Fund. We 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 well. We cater to a diverse group of individual and institutional investors through these wide varieties of funds and services.

Back in 1964, we were the first to establish mutual fund in India, and since then, we have built a strong presence in the AMC space. Today, we enjoy a rich legacy and brand recognition.

Our proven track record of over 55 years speaks volume of the credibility we have earned in the mutual fund (MF) industry through our conviction, capabilities and commitment.

The large structural growth opportunity prevalent in the Indian MF industry today is more pronounced than ever. Against this backdrop, our size, diverse client base and strong product portfolio, along with our pan-India reach, especially our substantial presence in B30 cities, extensive distribution network and widely recognised brand, bodes well, for us to capitalise on future growth prospects of the Indian MF industry. With an international presence of more than 20 years, we have established ourselves with the eminence of being an Indian AMC with an international footprint.

\*Including Quarterly Average AUM of UTI Mutual Fund, and Closing AUMs of Portfolio Management Services, UTI International, UTI Retirement Solutions Ltd. and UTI Capital Ltd.

## Our Reputation

# 1<sup>st</sup>

**Indian Mutual  
Fund Company**

# 55+

**Years of  
Experience**

# 138

**No. of Schemes Managed**

(as on 31 March 2021) excluding  
10 segregated portfolios

# INR 11,61,256

CRORE

**Total AUM**

# INR 1,82,853

CRORE

**Domestic MF AUM**

# 1.1

CRORE

**Live Folios**

# 694

**Districts  
present in**

# 163

**No. of UTI Financial  
Centres (UFCs) in India**

# 56,600

**Mutual Fund Distributors**

# 278

**Business Development  
Associates (BDAs)/Chief  
Agents (CAs)**

# 1,474

**Employee Strength**



## Vision

To be the most preferred  
Mutual Fund



## Mission

To be the most trusted and admired brand for  
all stakeholders

To be the most efficient wealth manager with a  
global presence

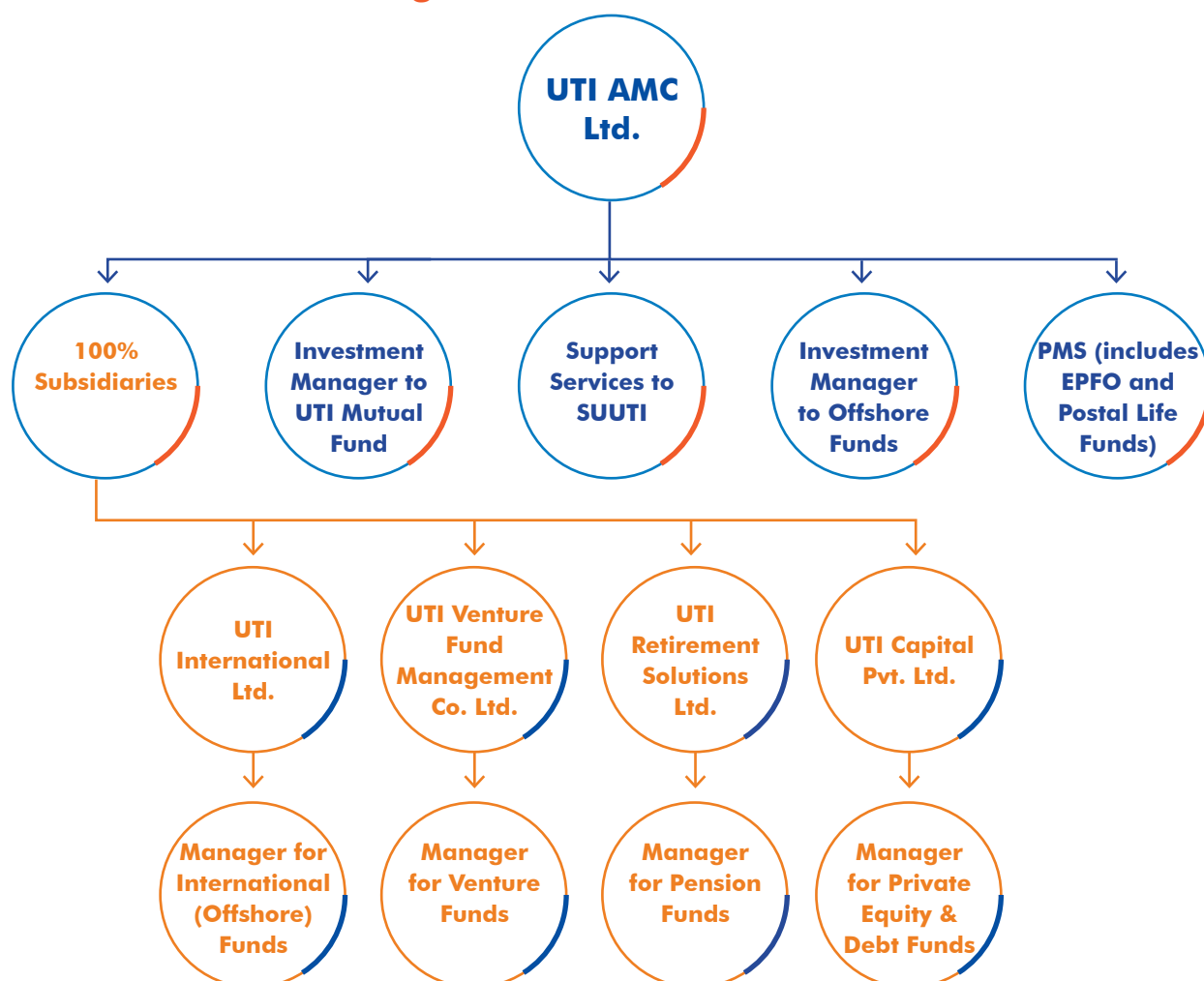
To deliver best-in-class customer service

To be the most preferred employer

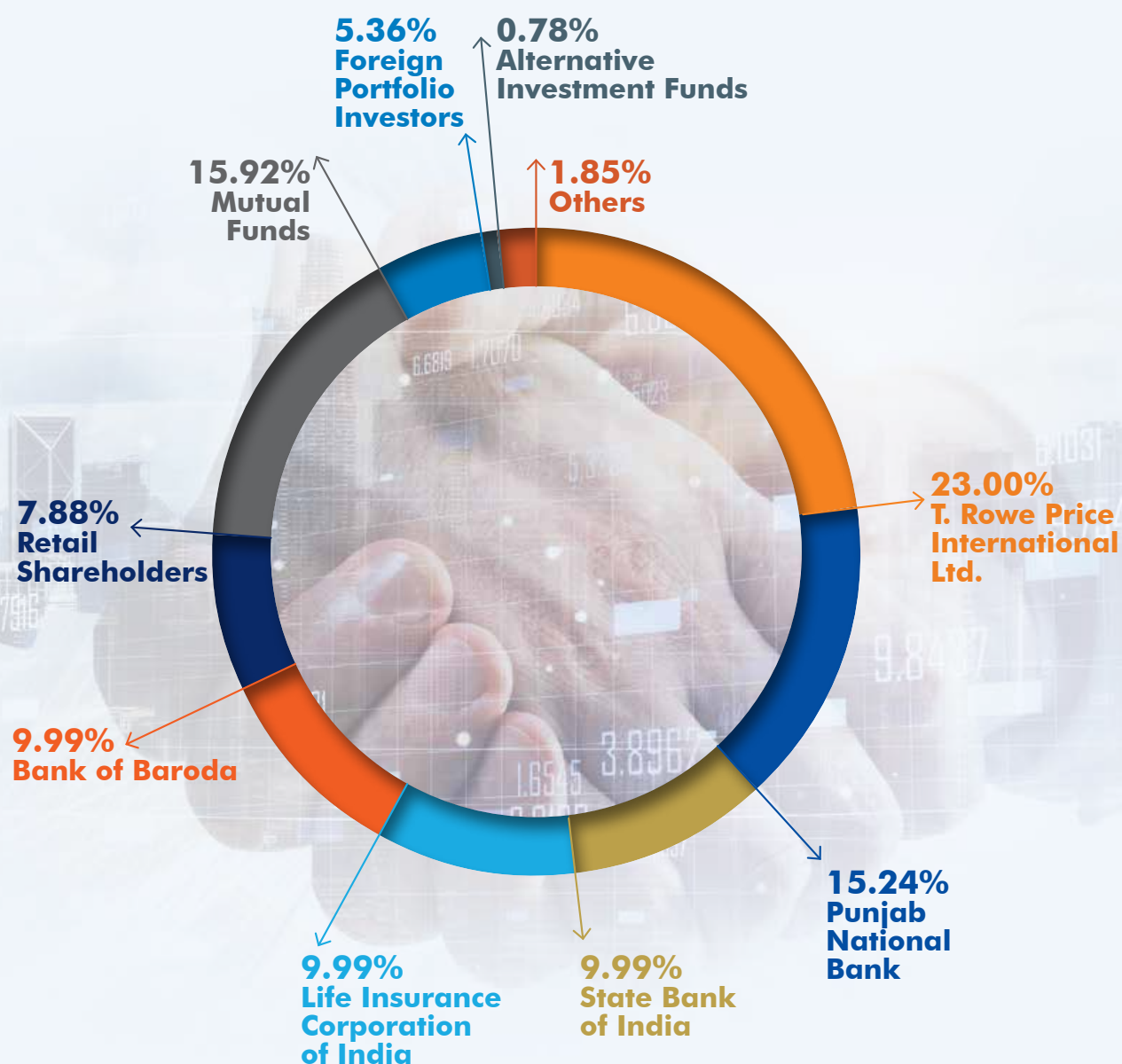
To create innovative products that maximise ROI

To be a socially responsible corporation that  
focuses on well-being of all

## Organisational Structure



## Shareholding Pattern



## Our Subsidiaries

### UTI International Limited

The offshore interests of UTI AMC are managed by UTI International Limited (UTI International), a 100% subsidiary of UTI AMC. UTI International was incorporated as a limited liability company under the laws of Guernsey on 30 January 1996. It is regulated by the Guernsey Financial Services Commission.

UTI International comprises of two subsidiary entities:

- UTI Investment Management Company Mauritius Limited, Mauritius, regulated by Financial Services Commission of Mauritius
- UTI International (Singapore) Pte Ltd (UTIIS) which holds a full Capital Market Services license and is regulated by the Monetary Authority of Singapore

In addition, UTI International has a branch office in London, regulated by the Financial Conduct Authority of UK and UTIIS has a branch office in Dubai, located in DIFC and is regulated by the Dubai Financial Services Authority. The offshore business has 26 employees based across the three offices located in Singapore, Dubai and London. From these offices, it caters to Institutional (B2B) and Distribution (B2B2C) clients in Asia, Europe and Middle East.

This company is chiefly engaged in the Investment Management of Equity and Debt Funds as authorised by its Memorandum of Incorporation. UTI International's products are primarily managed by the Investment team at UTI AMC – across Equity, Fixed Income and Private Debt. Additionally, it also manages some opportunistic yield products like Fixed Maturity Plans (FMPs) for international clients. The company's most substantial growth has come from Europe, particularly in the All Cap Equity fund. It also manages fund structures in the following jurisdictions to meet varying client demands:

- Ireland (UCITS)
- Singapore
- Mauritius
- Cayman Islands
- Dubai (DIFC)

The Offshore business has clients spread across 35 countries and are primarily institutions – Pension, Insurance, Banks and Asset Managers.



**USD 3.65**  
BILLION  
(INR 26,822 CRORE)

**Total AUM** (as of 31 March 2021)

Growing by ~70% (from USD 2.09 Billion in March 2020) (INR 15,765 crore)

**GBP 22.53**  
MILLION  
**Gross Income**

for 2020-21 against GBP 1.31 Million in 2019-20

**GBP 14.65**  
MILLION  
**Net Profit**

for 2020-21 against a net loss of GBP 5.77 Million in 2019-20



**Mr. Ajay Tyagi**

Fund Manager –  
International Equity and  
Domestic Equity Funds



## UTI Retirement Solutions Limited

UTI Retirement Solutions Limited (UTI RSL) was incorporated by UTI AMC on 14 December 2007 under the Companies Act 1956, for managing the pension assets under the National Pension System (NPS). It is a 100% subsidiary of UTI AMC.

The company was appointed by Pension Fund Regulatory & Development Authority (PFRDA) as one of the Pension Fund Managers to manage the Pension Assets/Funds of Central Government Employees, State Government Employees and the Private Sector NPS Subscribers under the National Pension System (NPS). It started its operations from 1 April 2008.

This company was amongst the first set of companies, along with LIC and SBI, established for managing Pension Funds under NPS. As a result, it enjoys the first-mover's advantage in the pension sector.

The company's Assets Under Management (AUM) have grown rapidly since the start of its operations. It has strong experience as a Fund House to run and manage Retirement Plans that have given reasonable market-related returns. UTI RSL draws its expertise of Fund Management activity from its parent company.

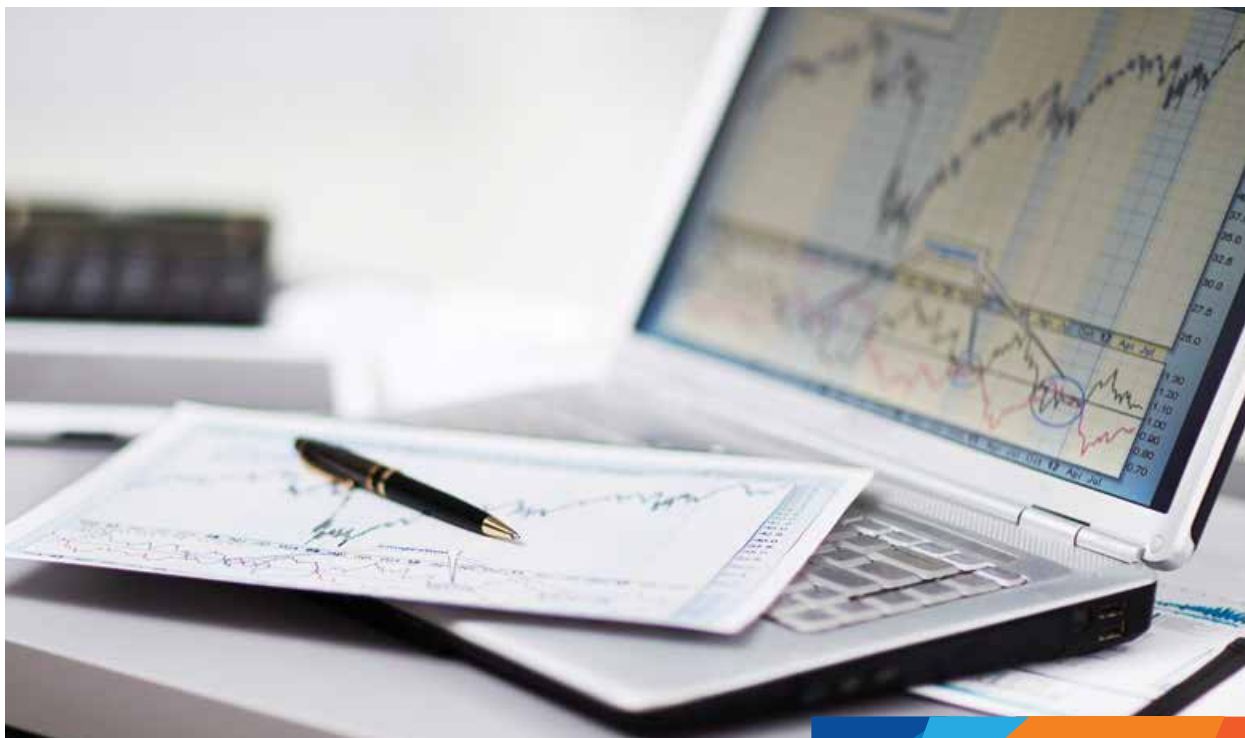


**INR 1,66,210**<sup>CRORE</sup>  
**Total AUM**  
 (as of 31 March 2021)

**INR 19.63**<sup>CRORE</sup>  
**Gross Income**  
 for 2020-21 against **INR 14.25 crore**  
 in 2019-20

**28.75%**  
**Overall Market Share under**  
**National Pension System (NPS)**

**INR 3.78**<sup>CRORE</sup>  
**Net Profit**  
 for 2020-21 against **INR 4.36 crore**  
 in 2019-20



## UTI Venture Funds Management Company Private Limited

UTI Venture Funds Management Company Private Limited (UTI VF) was incorporated on 27 March 2001, under the Companies Act, 1956, at Bengaluru, Karnataka. The company is registered with SEBI as a Venture Fund Management Company. It has a subsidiary, UTI Private Equity Limited, engaged in Investment Holding as authorised by the Financial Services Commission. However, UTI Private Equity Limited, Mauritius is under the process of winding up under section 309 (1)(d) of Companies Act, 2001.

The principal business of UTI VF is to manage venture capital funds and private equity funds. The company has been creating value for its portfolio companies by providing industry knowledge, access to local talent and through its business network in the Indian and overseas markets.

**INR 2.19** <sup>CRORE</sup>  
**Gross Income**

for 2020-21 against **INR 0.74 crore** in 2019-20

**INR 1.30** <sup>CRORE</sup>  
**Net Profit**

for the year ended 31 March 2021, as against a Net loss of **INR 0.47 crore** in 2019 - 20

## UTI Capital Private Limited

UTI Capital Private Limited (UTI CPL) was incorporated on 13 May 2011, under the Companies Act, 1956, at Mumbai, Maharashtra. It is a 100% subsidiary of UTI AMC and is mandated to manage and grow Private Capital investment management business. As of 31 March 2021, UTI CPL has four funds under management or advisory, which are:

- **UTI Structured Debt Opportunities Fund I**
  - Launched in August 2017 and final close in May 2019
  - Total commitments of INR 695 crore (In Commitment Period)
- **UTI Structured Debt Opportunities Fund II**
  - Launched in September 2020
  - Total commitments of INR 447 crore (Final Close Not Yet Announced)
- **India Infrastructure Development Fund**
  - Total assets of INR 205 crore (In Exit Period)
- **Pragati India Fund**
  - Total assets of INR 27 crore (In Exit Period)

**INR 1,576**  
CRORE  
**Total AUM**

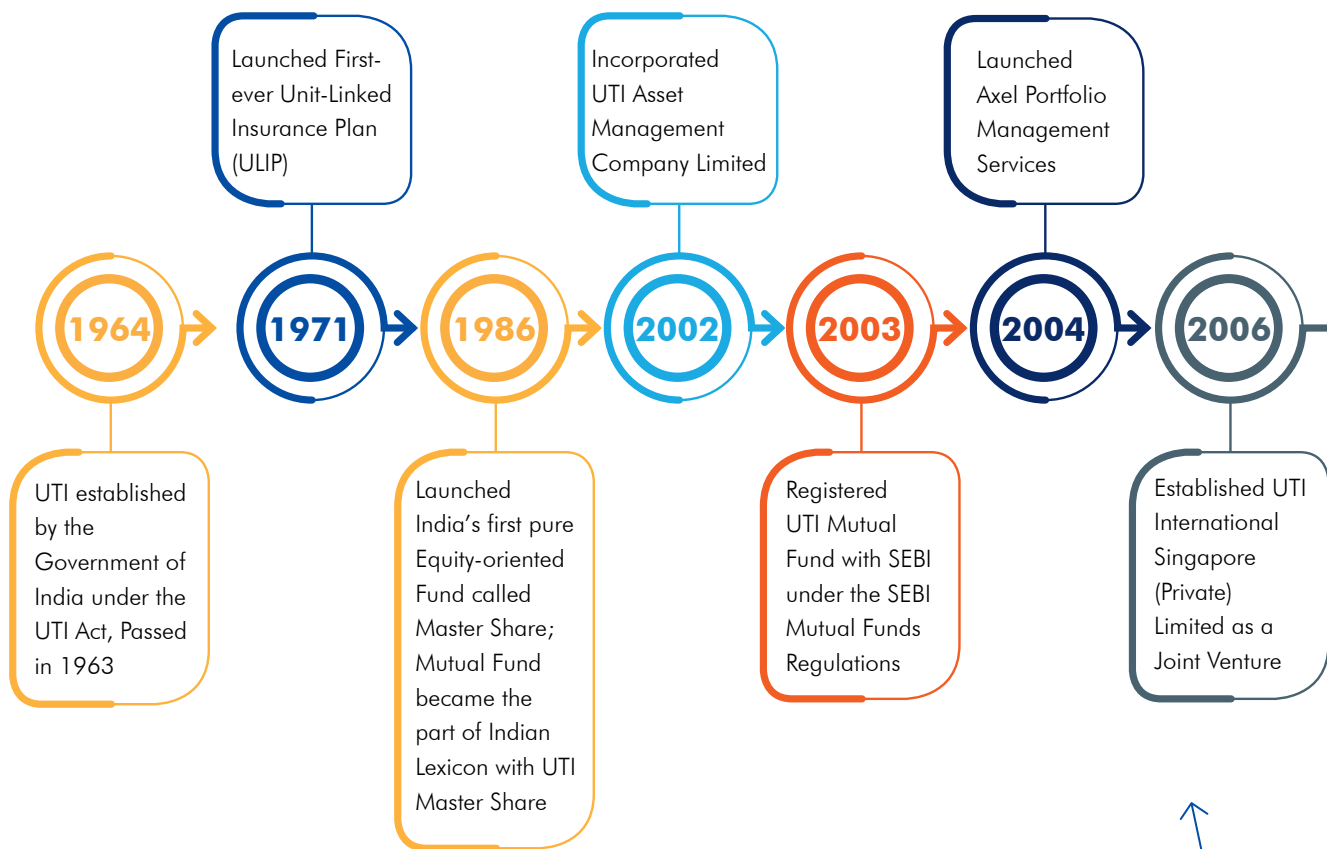
**INR 9.16**  
CRORE  
**Gross Income**  
for 2020-21 against **INR 8.04 crore**  
in 2019-20

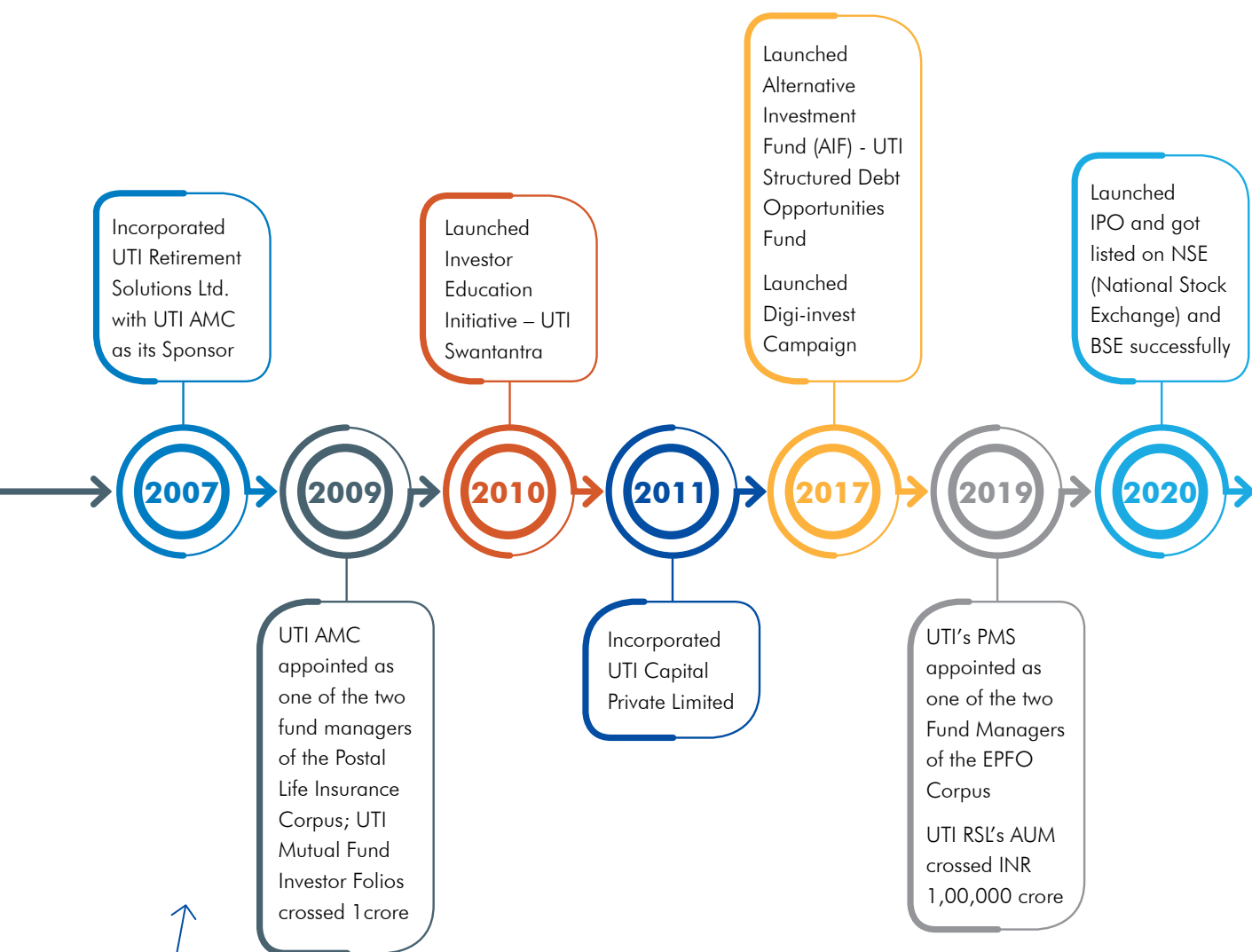
**INR 0.18**  
CRORE  
**Net Profit**  
for 2020-21 against a **Net Loss of**  
**INR 1.43 crore** in 2019-20



The Audited Statements of Accounts of the subsidiary companies, together with the Reports of their Directors and Auditors, for the period ended on 31 March 2021, are attached to this Annual Report. **None of the companies became or ceased to be subsidiary during the year 2020-21.** The Company did not have any Associate or Joint Venture Company as on 31 March 2021.

# CORPORATE HISTORY AND MILESTONES





# COMMITTED TO CREATING ROBUST VALUE FOR SHAREHOLDERS

At UTI AMC, we have always endeavoured to create healthy returns for our shareholders. And to improve shareholders' value, we believe it is essential to build a resilient business model and earn higher profitability through ethical business practices.

We are one of the pioneers of the Indian MF industry. We pride ourselves on our long-term track record of product and solution innovations that endeavour to deliver consistent and stable returns across economic cycles, eventually driving AUM growth.

We have, to our credit, launched many funds in the past, which were first in their respective categories in India. Also, five of our funds have over 25 years of track record.



**India's 1st  
Equity-  
oriented  
Fund — UTI  
Mastershare  
Unit Scheme**

**India's  
Largest  
Dividend  
Yield Fund —  
UTI Dividend  
Yield Fund**

**India's 1st  
Tax Saving  
cum  
Insurance  
Fund —  
UTI ULIP**

**India's  
Largest  
Non-ETF  
Index Fund  
— UTI Nifty  
Index Fund**

## Stable Investment Performance

Over decades, we have been delivering consistent and stable investment performance. Our investment philosophy aims to provide investment outperformance against benchmarks and competitors. Our rigorous investment research processes consider both qualitative and quantitative factors. These are further led by rating systems and proprietary research methodologies emphasising risk mitigation and drive performance through robust investment decisions.



## Profitability

Our strategy entails focussing on high-yielding products like Equity and Fixed Income through active fund management for achieving higher profitability. Thus, we have all the desired levers to move ahead and capture the profitable assets in the market. At the same time, we have also undertaken many initiatives to bring down our costs through investments in technology, process improvements and employee training to improve our bottom-line overall.

Hence, to achieve profitable growth, we focus on the following:

- Increasing our market share in high-yielding Equity, Hybrid and Debt products
- Bringing in new investors into UTI fold
- Focussing on underpenetrated markets
- Growing other lines of business like PMS, AIFs, International and Retirement businesses to contribute significant revenue to the overall business

| Inputs  | Outcomes   | Capitals Impacted                                  | Stakeholders Impacted                   |
|---|--|--|---|
| <b>INR 3,226 crore</b> Consolidated Networth<br>Zero Debt | <b>INR 494 crore</b> Profit after Tax<br><b>16.50%</b> Return on Capital Employed<br><b>15%</b> Return on Equity (Consolidated)<br><b>INR 38.97</b> Earnings Per Share<br><b>43.62%</b> Dividend Payout Ratio (Consolidated)<br><b>61.28%</b> Dividend Payout Ratio (Standalone) | <b>Human</b><br><b>Service</b><br><b>Financial</b> | <b>Shareholders</b><br><b>Employees</b> |

## Performance Analysis

Despite the severe headwinds faced on account of Covid-19 during 2020-21, we made significant progress on delivering against our set targets.

(INR in crore except per equity share data)

| Matrix              | 2019-20  | 2020-21   | Percentage/bps Growth |
|---------------------|----------|-----------|-----------------------|
| Revenue             | 889.96   | 1,198.63  | 34.68%                |
| PAT                 | 271.46   | 494.14    | 82.03%                |
| PAT Margins         | 30%      | 41%       | 1,100 bps             |
| ROE                 | 10%      | 15%       | 500 bps               |
| Total AUM           | 9,79,847 | 11,61,256 | 18.51%                |
| Equity-oriented AUM | 79,376   | 1,28,200  | 61.51%                |
| Hybrid-oriented AUM | 62,201   | 70,726    | 13.70%                |
| Debt-oriented AUM   | 8,38,270 | 9,62,130  | 14.78%                |

\*PAT: Profit After Tax \*ROE: Return on Equity \*AUM: Assets Under Management

In order to create robust value for our shareholders, we have constantly been improving our profitability. As we advance, the AUM size, product mix, and our improved cost structures, adopted to manage on an automated and integrated basis, will drive our enhanced profitability. We have also been bringing down our costs while consciously increasing the proportion of more profitable products. With a substantial contribution coming in from B30 cities in higher fee products like Domestic Active Equity and Hybrid Funds, we are likely to improve our profitability in the future while enhancing shareholder value.



# A COMMITTED PURE-PLAY INDEPENDENT ASSET MANAGER WITH POWER OF BRAND AND TRUST

UTI AMC is a name synonymous with trust. Our 55+ years rich legacy has helped us establish ourselves as a leading and pioneering brand in the Indian Mutual Fund industry.

Our independence and focus on Asset Management business differentiates us from many of our competitors who are part of the diversified financial institutions which carry out varied activities. Our in-house analysts provide independent and objective analysis to our investment professionals. We believe that there is a likelihood of fewer conflicts of interest with other business lines through this independent focus compared to our competitors. Besides, our stronger relations with a broad set of intermediaries and in-house skills allow us to remain at the forefront. Despite not having a bank or a big financial conglomerate as a part of our business group, we enjoy excellent relationships with leading private and foreign banking partners. We share cordial relationships with the banking partners' distribution teams, national distributors, Mutual Fund Distributors (MFDs) along with other fintechs and payment platforms.



## Pure-play AMC



**Ability to form stronger and deeper relationships with intermediaries as non-competing**



**Strong focus on AMC business with particular in-house skills towards fund accounting and boosting efficiencies and cost effectiveness**



Our national footprint, coupled with an extensive presence in many metropolitan and rural areas, and established presence in B30 cities, has allowed us to leverage our brand name and also helped us create a reputation for ourselves. We have constantly endeavoured to build on this reputation by adopting appropriate strategies and recruiting the right people for the right jobs.



**Reputation**  
For service,  
integrity and  
innovative  
solutions



**Investor  
Confidence**  
Ability to provide  
consistent quality  
services



**Recruitment**  
Recruit and  
retain skilled  
professionals

In the past, we have been named amongst the top five preferred industry brands as per the Nielsen Mutual Fund Studies for the period December 2015 to January 2016 and for the month of September 2017 – a clear testimony for our brand.

| Inputs  | Outcomes   | Capitals Impacted   | Stakeholders Impacted                   |
|---|--|---|---|
| <b>55+</b> Years' experience<br><b>INR 11,61,256</b><br>Total AUM<br>Strong know-how<br>Credibility<br><b>138</b> Mutual Fund schemes managed | <b>1.10 crore</b> Live folios<br><b>11%</b> of client base managed as a proportion of the Indian MF industry | <b>Financial</b><br><b>Service</b><br><b>Relationship</b> | <b>Shareholders</b><br><b>Customers</b> |

We will continue to leverage our existing strengths of brand awareness, reach, product diversity, and strong relationships. As we do this, we will also continue serving a diverse portfolio of funds and services. This balanced approach enables us to operate through market cycles. It reinforces our ability to cater to our investors' requirements and also helps reduce concentration risks for our business, while leveraging our competencies. This ability will help us gain a higher market share eventually.

# DRIVEN BY CONVICTION OF EXPERIENCE AND EXPERTISE

We are a professionally managed Asset Management Company backed by an eminent Board of Directors and a vastly experienced senior management team.

UTI AMC, as a team, is guided by the vision of a senior management team with profound market knowledge and experience. The know-how of our senior management team helps us identify and capitalise on strategic opportunities and respond to the changing industry, macroeconomic and regulatory dynamics in India. Our track record of managing money over multiple market cycles is a true testimony to the same. We follow a disciplined and rigorous investment process, strongly supported by our in-house fundamental research, a data-based framework for portfolio construction and internal risk management processes.

Our investment performance is backed by our experienced and professional 44-member investment team, with a 700+ years of cumulative experience across Domestic Mutual Fund, PMS, Retirement Solutions, Alternate Business and Offshore businesses.

## Team Strength

**44**

**Investment Team**

**20**

**Domestic Equity MF Management Team**

**12**

**Domestic Fixed Income MF Team**

**6**

**PMS Investment Team**

**4**

**RSL Investment Team**

**2**

**Offshore Fund Management Team**



| Inputs   | Outcomes   | Capitals Impacted                     | Stakeholders Impacted                |
|--|--|---------------------------------------|--------------------------------------|
| <b>44</b><br>Fund management team<br><b>700+</b> Cumulative years of experience<br>Different skill sets and backgrounds<br>Periodic review of fund performance | Robust fund management strategies<br>Better and faster decision-making | <b>Service</b><br><b>Intellectual</b> | <b>Customers</b><br><b>Employees</b> |

We have various protocols to refine the performance review processes for our fund managers and research analysts. This helps us optimise the performance of the team and incorporate best practices. Our rigorous investment research process takes into account both qualitative and quantitative factors. The process includes rating systems and proprietary research methodologies that emphasise risk and performance through comprehensive review procedures, driving investment decisions. We have also implemented a next-generation front-end trading system, Bloomberg Asset and Investment Manager. This implementation will help us improve our trade execution by providing a more responsive, agile and efficient interface for our dealing operations, thereby, helping us simplify risks and compliance monitoring.

In our endeavour to deliver investment outperformance against benchmarks and competitors, we follow a disciplined and rigorous investment management process:

| Equity Investment Process   | Fixed Income Investment Process  |
|---|--|
| <b>Investment process</b> <ul style="list-style-type: none"> <li>In-house research team</li> <li>Proprietary framework - qualitative and quantitative</li> <li>Portfolio construction data framework</li> </ul> | <b>Approach</b> <ul style="list-style-type: none"> <li>Yield and duration management as key objective</li> <li>Achieved through a combination of top-down and bottom-up approach</li> </ul>  |
| <b>Diversity</b> <ul style="list-style-type: none"> <li>Diversity of styles with discipline</li> <li>Bound by the investment process</li> <li>Risk guidelines</li> </ul>  | <b>Research process</b> <ul style="list-style-type: none"> <li>Takes qualitative and quantitative factors into account along with proprietary ratings and research methodologies</li> <li>Arrives at a universe of issuers in which to invest</li> </ul> |
| <b>Team culture</b> <ul style="list-style-type: none"> <li>Experienced and professional team</li> <li>Emphasis on collaboration</li> <li>Interactive process – formal and informal</li> </ul>                   | <b>Construct</b> <ul style="list-style-type: none"> <li>Portfolio constructed in the light of investment objectives and investment strategies</li> <li>Emphasis on risk, diversification and performance</li> </ul>                                      |
| <b>Performance measurement</b> <ul style="list-style-type: none"> <li>Based on the performance of the fund against benchmark and peers over different periods</li> </ul>  | <b>Review</b> <ul style="list-style-type: none"> <li>Comprehensive review mechanism</li> <li>Supports the investment and divestment decisions of fund managers</li> </ul>  |

Going ahead, through our focus on better talent recognition, we intend to invest in the human and organisational resources needed to increase the number of companies covered by our in-house research team. We strive to strengthen our fund strategies further. This will enable us to increase our AUM and facilitate new product launches.

# CAPABILITIES STRENGTHENED BY WIDE GEOGRAPHICAL PRESENCE AND MULTI-CHANNEL DISTRIBUTION NETWORK

At UTI AMC, we understand that a strong distribution network and a transparent approach leads the industry's growth. With this thought at the core, we seek to continue developing our network and increasing our geographical reach. We are constantly expanding our existing comprehensive multi-channel distribution channels that bring the stability of flows.

UTI AMC enjoys the best of both worlds through its strong in-house capabilities and an extensive network of external distribution channels. We reach out to our clients through a number of distribution channels, including Mutual Fund Distributors (MFDs), direct distribution and Banks & National Distributors (BNDs). Our existing distribution network includes 163 UTI Financial Centres (UFCs), 278 Business Development Associates (BDAs) & Chief Agents (CAs) and 39 Official Points of Acceptance (OPAs) at KFinTech locations, most of which are located in the B30 cities. Furthermore, our products are empanelled with most of the banks. Our channels include distribution arrangements with domestic & foreign banks and national & regional distributors. We also have dedicated sales teams for institutional and PSU clients in place while offering products through UFCs, digital applications, and website. Besides, our investors are also able to invest in our schemes through mobile applications.

## Distribution Channel Bifurcation\*

**62%**  
Direct

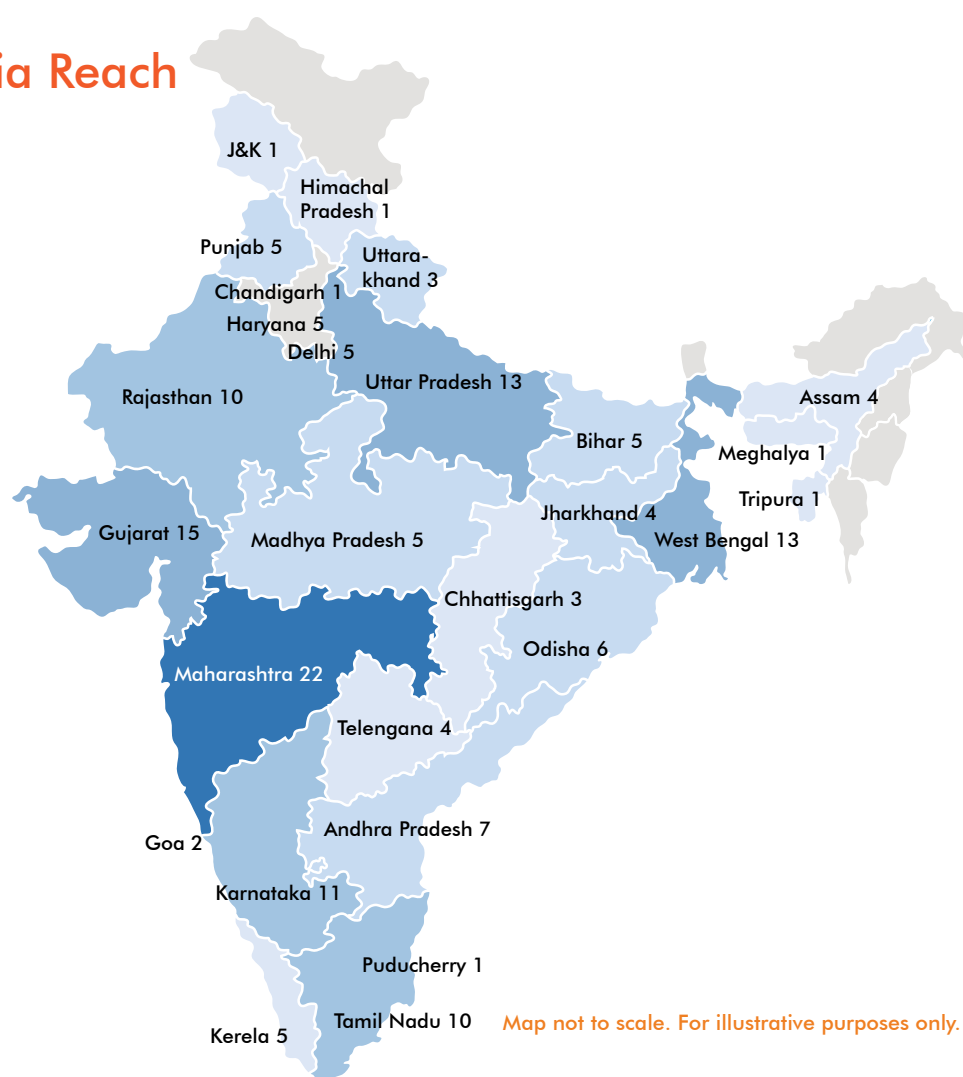
**29%**  
MFDs

**9%**  
BNDs

\*of MF QAAUM as of March 2021



## Our Pan India Reach



Our UTI International offices in London, Dubai and Singapore, through which we market our offshore and domestic MFs, enable the offshore investors to invest in India.

Our presence is supported through our sales and marketing strategies focussed on establishing and

maintaining retail and institutional management. Each distribution channel has the requisite oversight and manpower to service the potential opportunities in the marketplace. They also enable us to bring down the average cost of distribution in the long run.

| Inputs   | ➔ | Outcomes   | Capitals Impacted  | Stakeholders Impacted                                    |
|--|---|--|--|--|
| <b>163</b> UTI Financial Centres<br><b>694</b> Districts covered |   | Increased scalability<br>Increased reach through enhanced branch radius<br>Smoother operations | <b>Service</b><br><b>Financial</b><br><b>Human</b><br><b>Social &amp; Relationship</b> | <b>Customers</b><br><b>Investors</b><br><b>Employees</b> |

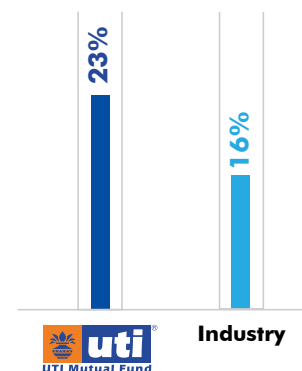
At UTI AMC, we are committed to enhancing our geographical presence and open branches where there is business potential, that may help us garner a profitable growth and bring in new investors into the mutual fund fold. We plan to strengthen further and deepen our relationship with our institutional and PSU clients. Our target is to particularly focus on developing relationships with MSME and SME institutional clients to expand our domestic mutual fund investor base. We also endeavour to grow our share of the provident fund business of institutional clients and target institutional clients who are yet to invest in our domestic mutual funds to increase our overall reach.

# COMMITTED TO FINANCIAL INCLUSION – B30 CITIES

The Indian Mutual Fund industry is expected to continue propelling forward. The anticipated growth will be underwritten by supportive industry dynamics and long-term structural drivers, including financialisation of household savings, increasing market penetration of Mutual Fund products, favourable population and urbanisation trends. At 6.7%, Mutual Funds currently constitute only a small portion of the gross household financial assets\*, with the figure likely to be lower in B30 cities.



**Higher share from B30 of overall MF MAAUM as compared to industry**



AMCs generally incur additional distribution costs to onboard retail customers. This again requires higher spending on infrastructure and marketing capabilities. As a result, AMCs with a strong existing presence in B30 markets are better positioned to penetrate these markets and enjoy a better play on operating leverage. At 23%, we have a higher proportion of our Monthly Average AUM (MAAUM) attributable to B30 cities as compared to industry. We have a strong foothold in

these cities with a high share, with our BDA network being in existence for nearly 3 decades. Furthermore, our broad distribution network in B30 cities provides us economies of scale, particularly in distribution, marketing, and back-office activities, bringing in cost efficiencies. Since the B30 customers are generally stickier in nature, they offer comparatively higher profit margins.

*\*As of September 2020. Source: RBI Bulletin*



Overall, the B30 cities currently contribute to a lower share for the industry as compared to the T30 cities. This further goes on to indicate that there is a lot of untapped potential in these cities. Although the figure may not be as high, on a positive note, the share has been increasing Y-o-Y since 2014-15. The shift has been led by individual investors, who have historically been inclined towards equity funds.

At UTI AMC, we believe we are well-positioned to capitalise on the favourable industry dynamics, including the under penetration

of MF products, owing to our established presence. We are in the right space to attract new clients and positions through our broad-spread distribution network, wherein we can reach a wider spectrum of individual investors. Our broad client base also provides us with a number of opportunities, including cross-selling of different funds. Out of the current network of 163 UFCs, 106 are based out of B30 cities, further testifying our focus towards them.

# 382

## UFCs (106) and BDAs & CAs (276) in B30 Cities

As per regulatory norms set by the Regulator, a certain proportion of the total AUM needs to be parked aside towards spreading financial awareness and investor education, in order to drive the industry forward. We believe this step is in the right direction. Being the pioneers of this industry, we take pride in having conducted investor education and awareness programmes in the smaller towns of India, well before it was made mandatory. We believe that this is imperative to make the investor from a small centre more confident to invest in mutual funds. In order to effectively communicate with potential investors across the country, we have been concentrating on investor education in local languages to create higher awareness about mutual funds.



| Inputs   | Outcomes   | Capitals Impacted  | Stakeholders Impacted                   |
|--|--|--|---|
| <b>106</b> No. of UFCs in B30 cities<br><b>276</b> BDAs and CAs in B30 cities<br><b>56,600</b> No. of MFDs | <b>23%</b> Share of our MAAUM of B30 cities<br><b>8.9%</b> Folio growth in B30 cities<br>Higher share of MAAUM in B30 cities as compared to the industry | <b>Service</b><br><b>Financial</b><br><b>Social &amp; Relationship</b> | <b>Distributors</b><br><b>Customers</b> |

Going forward, our established presence in B30 cities positions us well to capitalise on future growth in those underpenetrated markets. However, expanding further into these markets may require substantial investments in marketing and distribution, which could impact our profit margins. As a result, we have been adopting an approach to leverage the network of our long-standing MFDs, Banks and Distributors as well as through Digital presence. This will help bring in the right balance between online interfacing and in-person interaction, eventually lowering the cost of customer acquisition, compliance and other processes. And will help us reach more remote areas without incurring substantial costs.

# LED BY A STRONG CONVICTION OF DIGITAL PRIORITIES – ANYWHERE AND EVERYWHERE

At UTI AMC, we believe in being ready for the future. And today, digital is the future. The companies who have adopted digital and can better embrace it will drive growth in the times to come. There is a strong reason to believe that technology and digital adoption will enhance organisational efficiency, bring in cost optimisation, improve customer acquisition and experience while also ensuring data security. With this philosophy, we have undertaken a comprehensive digital transformation project to build our Company's efficacy, capacity, resilience and cost-effectiveness.

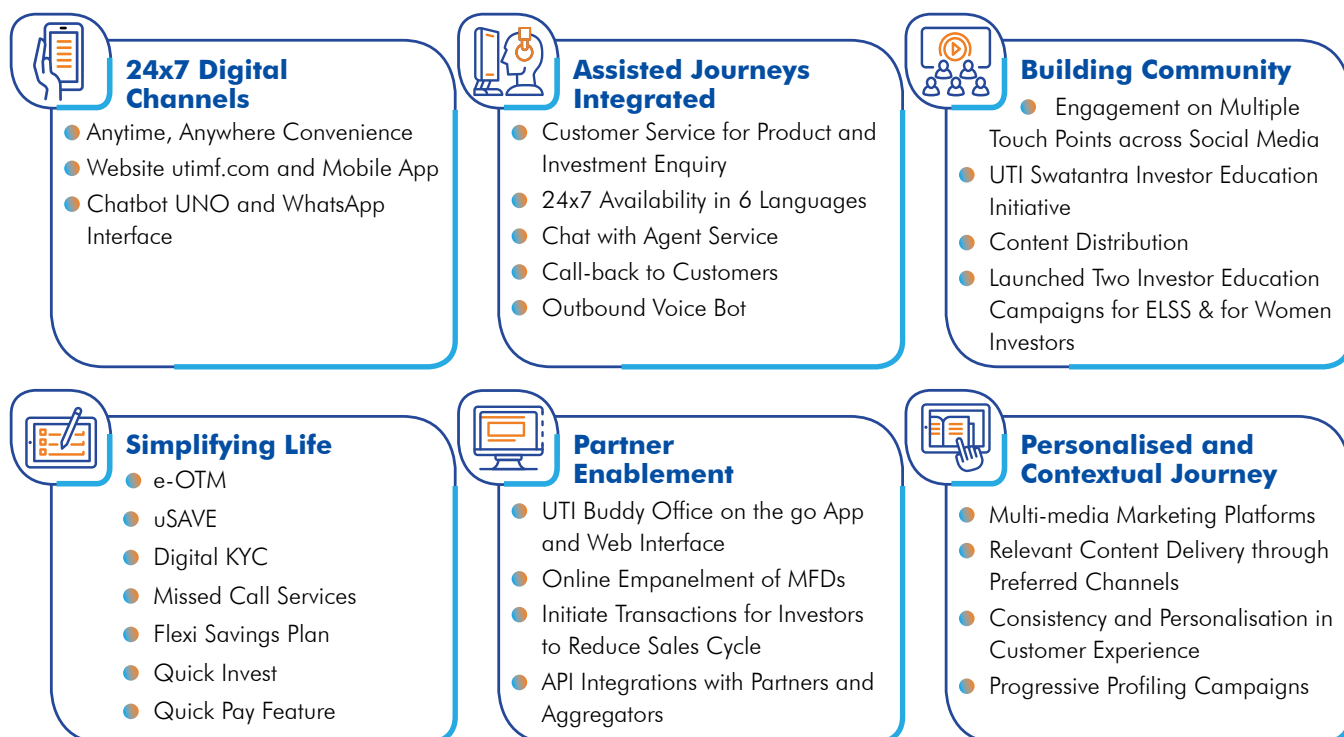
Our digital transformation programme involves multiple initiatives incorporating application modernisation, hybrid cloud architecture adoption, business process digitalisation, enterprise data platform adoption and cybersecurity enhancement. However, the larger focus of this programme is the implementation of a 'cloud first' vision. The idea is to focus on the adoption of applications and services to reduce time-to-market and ensure high availability, scalability, security and the cost-optimised deployment of applications and services. Thus, leading to a reduced cost of ownership and maintenance.

Further, to ramp up the digitalisation across the board, we will continue investing in digital marketing and other customer and distributor-facing digital initiatives. Our constant endeavour is to make our services seamlessly

accessible on mobile platforms by building, improving and maintaining mobile applications for our salesforce. We are doing the same to ensure that the customers, distributors and employees increasingly use mobile platforms to access our services.

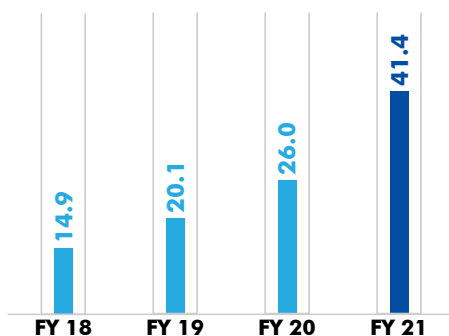
We intend to scale up the frequency and pace of our digital marketing campaigns. Besides, we also plan to increase the number of digital platforms such as WhatsApp and chatbots, through which we interact with our current and potential customers. We will continue building interfaces for fintech, payments and other digital distribution platforms to ensure seamless connectivity and enhance customer reach. Going ahead, we will also continue encouraging the adoption of digital tools, which have proven particularly important during the Covid-19 pandemic.



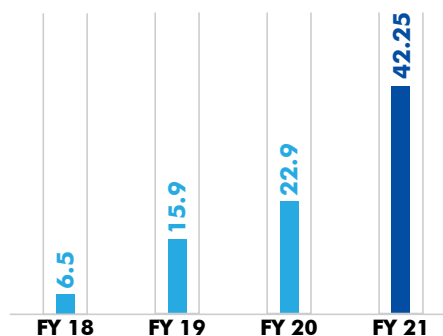


### Acceptance of digitalisation has started reflecting in growing online transactions

Number of digital purchase transaction (in lakhs)



Sales through digital platforms (as a % of Equity and Hybrid MF Gross Sales)



| Inputs   | Outcomes   | Capitals Impacted   | Stakeholders Impacted  |
|--|--|---|--|
| <b>24x7</b> Digital channels<br><b>UTI Buddy</b><br><b>700+</b> No. of digital marketing campaigns<br><b>INR 27.7 crore</b> Investments towards IT and cybersecurity | <b>4,28,264</b> No. of digital SIP transactions<br><b>75.34%</b> Growth in number of digital SIP transactions in 2020-21 as compared to 2019-20<br><b>94%</b> Total gross sales of Equity, Debt & Hybrid Funds through online platform | <b>Service</b><br><b>Financial</b><br><b>Intellectual</b><br><b>Social &amp; Relationship</b> | <b>Employees</b><br><b>Shareholders</b><br><b>Social</b><br><b>Customers</b> |

The initiatives we have been undertaking today are preparing us to remain ready for tomorrow. We are adopting these initiatives across all our functions right from operational, finance and investments to marketing. Going ahead, we will continue embracing newer technologies to ensure that we create more convenience, reduce friction and deliver faster. We will consistently continue to invest towards the right infrastructure. And build a more secure environment with our IT and digital teams working in collaboration. Furthermore, we will also continue adopting Artificial Intelligence (AI) and Machine Learning (ML) to churn Big Data, thereby taking the Company to the next level of growth.

# POWERING OUR PEOPLE'S CAPABILITIES

At UTI AMC, we have consciously created a positive working environment promoting employee safety, growth and goal attainment. All our efforts are directed towards encouraging our employees to perform to their highest ability. We strongly believe that our ability to continue delivering value for all stakeholders centres around our ability to attract, develop and retain dedicated and talented people. Our focus is on building a team that is inspired by our purpose and attracting individuals who take emotional ownership of what they do.

## 158

**No. of employees  
hired during the  
year 2020-21**

## 18+

**Average years of  
employee tenure  
at UTI AMC**

## 75:25

**Gender ratio for  
males to females**



Our success directly depends on our team of employees. And so, we are continually implementing several measures to strengthen our workforce further and improve their motivation and development. For example, we provide merit-based employee compensation, which is benchmarked to our industry and will continue doing so in future. Further, we use a balanced scorecard system as part of our performance management system. It facilitates a holistic assessment of our employees' performance, supporting our 'pay for performance' culture.

Our Company has always emphasised and will continue

to focus on training and development of our employees. To this, we first identify short and long-term organisational capability requirements. Then we establish training and development strategies and plans aligned to our business objectives. Our mentoring programme further supports the professional growth and development of the Company's new hires.

Besides, our Employee Share Ownership Plan (ESOP) fosters a culture of ownership and alignment of employees' interests with that of our business. We believe this ownership model

and our emphasis on team-oriented management is likely to further promote a shared sense of purpose with our clients. Additionally, it will help contribute to low staff turnover and attract and retain quality talent critical to our success.

We will also continue to pursue our strategy of external recruitment from the market and merit-based internal promotions, with a particular focus on recruiting young talent.

| Inputs   | → | Outcomes                                     | Capitals Impacted                                  | Stakeholders Impacted |
|--|---|--|--|-----------------------|
| <b>1,474</b> employees<br><b>373</b> Female employees<br><b>INR 379 crore</b> Employee benefit cost<br><b>22</b> Training and skill development programmes<br><b>5,919</b> Hours of training conducted during the year 2020-21 |   | <b>702</b> employees trained during the year | <b>Service</b><br><b>Financial</b><br><b>Human</b> | <b>Employees</b>      |

At UTI AMC, we endeavour to create an atmosphere where employees are constantly motivated and self-driven to achieve their personal and business goals. Therefore, we will continue to provide industry-benchmarked salaries, incentive-based compensation (including ESOPs) and conduct specific training programmes.

# COMMITTED TO ENVIRONMENT, SOCIAL, GOVERNANCE (ESG)

Environmental, Social, and Governance (ESG) parameters are the top three non-financial performance indicators in today's business environment. Over the last couple of years, they have gained significance and become critical for long term competitive success. Today, a structured disclosure of performance is an essential requirement for businesses. The increased attention around the environment, well-being of employees, societal concerns and transparency in the business are central factors while measuring the sustainability and societal impact of an investment in a company or business. In line with this, at UTI AMC, we have proactively initiated concerted efforts in benchmarking our processes and policies with the global best practices across the domain of ESG.

We have undertaken a thorough review of policies, processes, disclosure requirements on ESG in a phased manner. In order to bring the required focus to the continuously evolving ESG landscape that impacts our business, we have embarked on the process of setting up a Board level ESG committee. The vision behind setting up this committee is to support the organisation's commitments towards the environment, health and safety, corporate social responsibility, corporate governance, sustainability, and other relevant public policy matters. The committee will provide guidance, leadership and necessary oversight for:

Embedding ESG aspects into the business strategy

Developing, implementing, and monitoring interventions and related policies

Engaging with the stakeholders by overseeing communications relating to ESG aspects

Monitoring and assessing development and improving the organisation's understanding of ESG aspects

Ensuring efficient and timely disclosure of ESG aspects to stakeholders





Furthermore, significant progress has been made in the journey to becoming an ESG benchmarked-organisation within the Asset Management segment. We are in the process of putting together the ESG integration framework that is also applicable to our group companies, namely UTI International Ltd., UTI Retirement Solutions Ltd., UTI Venture Funds and UTI Capital Pvt. Ltd. The ESG framework is the first major step towards integrating essential ESG aspects into our business operations. This framework draws from global best practices and standards. It will serve as the guidebook for strengthening existing management systems and cater to ESG disclosure requirements of various stakeholders such as regulatory authorities, shareholders, civil society, industry associations, media/rating agencies.

Simultaneously, we have also initiated work on developing the materiality assessment for ESG aspects. This exercise will help identify and prioritise organisation-specific ESG considerations. It will use focus group discussions and guidance provided by sector-specific ESG standards such as Global Reporting Initiative's Financial Services Sector Disclosure and Sustainability Accounting Standards Board (SASB)<sup>1</sup> for Asset Management and Custody Activities. This will be followed by developing the Annual ESG Report for UTI AMC as per Global Reporting Initiative's Standard 'In Accordance – Core'. It will serve as the Company's ESG performance report card along with the improvement plans going forward. The Global Reporting Initiative (GRI) is an international independent standards organisation that helps businesses, governments, and other organisations understand and communicate their impacts on climate change, human rights and corruption. It is one of the most widely adopted standards for ESG disclosures. The majority of Fortune 500 companies choose to report as per GRI Standards. Moreover, demonstrating our commitment to work towards global concerns like climate change, we would be reporting on the Greenhouse Gas (GHG) emissions inventory for the organisation in our ESG disclosure, along with plan to mitigate GHG emissions from our business operations.

**We are now at the cusp of our ESG journey, and there is a need for continuous improvement as we progress to keep pace with the changing ESG landscape. We will be considering getting rated by leading ESG rating agencies to benchmark our performance within the peer group and the industry at large to identify further areas of improvement.**

<sup>1</sup>SASB is now part of Value Reporting Foundation



# CONVICTION TO IMPROVE INVESTOR EDUCATION AND ENHANCE AWARENESS

Low Mutual Fund penetration levels in India are primarily due to the lack of awareness about this asset class. As per SEBI's investor awareness survey conducted in 2015, mutual funds/SIPs were used by only 10% of the respondents as investment and saving avenues. This clearly indicates the necessity to create better investor awareness. Overall advertisements by fund houses and robust market performance are likely to boost investors participation. This is further likely to help deepen mutual fund penetration among new investors, particularly in B30 markets.

Keeping the investors' interest in mind while also encouraging higher participation, SEBI's regulations directed AMCs to keep aside at least 2 bps of daily net assets for investor education initiatives. This was to boost awareness of capital markets investment products. As a responsible organisation, we embarked upon our investor education journey in 2010. We incubated the 'Swatantra' platform with the primary objective of creating awareness about financial planning and the benefits of investing in Mutual Funds among the common people.

## UTI Swatantra

UTI Swatantra is our flagship investor education initiative. In 2013, UTI Swatantra became India's largest investor education programme based on reach, making it to the Limca Book of Records. Since then, Swatantra has undergone several changes. It is striving to mirror even more customer responses by comprehending how customers interact with media and how they eventually consume it. Basis this, in 2019, we refreshed the platform by creating a multi-channel approach entailing:

- Regular publications in print media
- Talk show radio programmes
- Presence on social media

## Objectives of our Well-structured and Efficiently Implemented Investor Education Programme:

- Protecting investors by educating them on their rights and responsibilities
- Empowering with the knowledge to evaluate different financial products and make informed decisions
- Enabling investors to understand and manage risks
- Reducing investors vulnerability to fraudulent schemes
- Expanding outreach of financial services and products
- Planning an informed retirement and finances
- Participating in financial markets with confidence

## Some of the initiatives that we undertook around the year as stated below:

### 1. Chatbot

We launched Chatbot in October 2020 to enhance the consumer experience on our website. It is aimed at deriving more insights from users' journey to find a better opportunity to engage through their personalised journey. Thus, helping them make a more informed investment decision, and all with the click of a button.



### 2. Quora Handle

We started our Quora handle in the name Swatantra Kumar in October 2020. The idea behind this was to reach and engage with a high intent audience seeking information to make their investment decisions.



### 3. Interactive 'Expert Se Poocho' page

We also launched a page on UTIswatantra.com in November 2020. This was to connect the consumers with a panel of qualified investment advisors.

### 4. Launched Third Season of the Radio Show '#Mutual fund 101' in January 2021

We launched our radio show on the channel Radio One across 5 cities. This is a weekly morning drive time show where experts (MFD's) from each of the 5 cities engage with listeners by telling them all about investing in mutual funds. It throws light on how people with varied goals/age/profile/income can start their investment journey.

### 5. The Colloquium

We launched our virtual marquee event named 'The Colloquium' on 18 March 2021 to extend our knowledge-sharing objective about the prevailing market trends. It targeted our key clients to encourage enriching conversations with prominent thought leaders.

**20,000**  
Registrations Witnessed



### 6. Other Marquee Initiatives

- Conducted FB Live shows with experts
- Created engaging, bite-sized content using innovative formats
- Repurposed existing content to build better connect
- Produced regional content in 11 languages to reach larger audiences
- Launched Utiswatantra.com



**We have always aimed to increase brand salience through specific investor-segment led conversations as well:**

### 1. First Time Jobber Segment

We targeted people in the age bracket of 18-30 years who may have just begun their wealth creation journey. To provide solutions to this audience on First Easy Step to start investing in mutual funds, we promoted Index Fund and investment through SIP for various life goals.

**CRORE +  
2**

**People Reached through TV Campaigns via Movies, News and Regional GEC Channels**



**Initiatives under this campaign were:**

- **Investor Awareness Programme (IAP):** We started this financial literacy programme for college students to start their future on the right note.

**CAMPS  
188**

**Conducted across  
105 Cities**



- **Millennial Money Matters (Podcast):** We created this podcast series comprising 4 episodes. We presented different stories in each episode to show how one can manage his/her first paycheck and be smart with money.

**1,00,000**

**Unique Listeners' Reach  
through Podcasts**



## 2. Launched Women Investor Education Campaigns

We launched 'Equal Right Equal Responsibilities' campaign to raise awareness and drive investor education amongst independent, working women.

**CRORE +**  
**2.2**

### Audience Reach through Women Investor Education Campaign

Besides, we also created some thought-provoking video-based content on the same lines and promoted it on TV and digital platforms.

## 3. Tax Campaigns

We ran an investor education campaign for promoting ELSS with dual benefits. Generally, in the month of March, people tend to panic because of last-minute tax planning. We created more awareness and shared information on tax saving and wealth creation through this campaign run around tax filing time across TV and digital platforms.

**CRORE**  
**5.1**

### Total Reach through the Tax Campaign

**88%**

### Share of Voice (SOV) on Television in the MF Category



# GOVERNANCE

## Board of Directors



DOA: 11 April 2017

### Mr. Dinesh Kumar Mehrotra

*Non-Executive Chairman and Independent Director*

Dinesh Kumar Mehrotra is the Non-Executive Chairman and Independent Director of the Company. He has previously served as the Chairman and the Managing Director of LIC. He has also served as the Executive Director of International Operations at LIC. He holds a B.Sc. (Honours) degree from the University of Patna. His appointment as an Independent Director of the Company was approved by the shareholders at the Annual General Meeting held on 23 August 2017.



DOA: 01 October 2018

### Mr. Edward Cage Bernard

*Non-Executive Non-Independent Director*

Edward Cage Bernard is a Non-Executive Director of the Company. Prior to joining the Company, he was associated with the TRP group as a Vice Chairman, T. Rowe Price Group Inc. as a Director on the Board and as a member of the firm's Management Committee. Currently, he is also associated with T. Rowe Price Group Inc. as a Senior Advisor. He holds a B.A. degree in Religious Studies from Brown University and an MBA in finance from New York University Leonard N. Stern School of Business. His appointment as an Non-Executive Director of the Company was approved by the shareholders at the Annual General Meeting held on 22 August 2019.



DOA: 20 January 2010

### Mr. Flemming Madsen

*Non-Executive Non-Independent Director*

Flemming Madsen is a Non-Executive Director of the Company. He is the Head of Global Financial Intermediaries at T. Rowe Price. He is a Vice President of T. Rowe Price Group, Inc., T. Rowe Price International Ltd and member of the EMEA Distribution Executive Committee. He has been associated with T. Rowe Price for 21 years. His total 37 years' experience in the financial industry includes capital markets transactions, investment banking, and asset management. His appointment as an Non-Executive Director of the Company was approved by the shareholders at the Extra Ordinary General Meeting held on 20 January 2010.





DOA: 14 October 2016

## Mr. Narasimhan Seshadri

### Independent Director

Narasimhan Seshadri is an Independent Director of the Company. He has four decades of experience in the banking industry, having served two major public sector banks viz Canara Bank and Bank of India. Prior to joining the Company, he was a Director on the board of NPCI and a whole-time Executive Director on the Board of Bank of India. He holds Masters Degree in Commerce from Bangalore university: Masters in Divya Prabandam MA (DP) from Sastra University and Masters in Banking and Finance (MBA Banking and Finance) from IGNOU/Indian Institute of Bankers. He is a certified associate of the India institute of Bankers. His appointment as an Independent Director of the Company was approved by the shareholders at the Annual General Meeting held on 23 August 2017.



DOA: 25 September 2018

## Mr. Deepak Kumar Chatterjee

### Independent Director

Deepak Kumar Chatterjee is an Independent Director of the Company. Prior to joining the Company, he was associated with SBI Funds Management Private Limited as the Managing Director and Chief Executive Officer and SBI Capital Markets Limited as a Executive Vice President. He was also associated with IIFCL Projects Limited as its Chief Executive Officer and IIFCL Asset Management Company Limited as a Director. He holds a B.Sc. (Honours) degree in Physics from University of Delhi, an M.Sc. degree in Agricultural Physics from Indian Agricultural Research Institute, New Delhi and an MBA from University of Delhi. He is also a Certificated Associate of the Indian Institute of Bankers. His appointment as an Independent Director of the Company was approved by the shareholders at the Annual General Meeting held on 25 September 2018.



DOA: 20 November 2019

## Mr. Rajeev Kakar

### Independent Director

Rajeev Kakar is an Independent Director of the Company. He currently serves on the boards of various banks and financial institutions such as Eurobank Ergasias SA (Greece), Gulf International Bank (GIB Bahrain), Gulf International Bank (GIB Saudi Arabia) and Commercial International Bank (Egypt). He started his career in 1988 at Citibank NA, where he worked for 18 years and in his last role, was the Managing Director and Division Head for Turkey, Middle East and Africa region. In 2006, he moved to become the Global co-founder of Fullerton Financial Holdings Pte. Ltd., headquartered in Singapore (a wholly-owned subsidiary of Temasek Holdings Pte. Ltd., Singapore), where he served for 11 years in various roles including serving on its Global Management Board, as its Executive Vice President, Head of Consumer Banking and Head of Central and Eastern Europe, Middle East and Africa region. Simultaneously, he also was the Founder of Dunia Finance LLC in UAE, where he operated as its Managing Director and Chief Executive Officer. He holds a B. Tech. degree in Mechanical Engineering from the Indian Institute of Technology, Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. His appointment as an Independent Director of the Company was approved by the shareholders at the Extra Ordinary General Meeting held on 16 December 2019.



DOA: 20 November 2019

## Ms. Dipali Hemant Sheth

### Independent Director

Dipali H Sheth is an Independent Director of the Company. Dipali serves as Independent Director on the Boards of four other companies. Prior to joining the Company, she was associated with RBS Business Services Private Limited as the Country Head of Human Resources, Standard Chartered Bank as Head HR South Asia, Procter & Gamble Distribution Company Limited and DCM Limited. She holds a B.A. (Honours) degree in Economics from University of Delhi, passed out from the DCM Management Centre, and is an accredited Coach from ICF and Gallup, USA. Her appointment as an Independent Director of the Company was approved by the shareholders at the Extra Ordinary General Meeting held on 16 December 2019.



DOA: 20 November 2019

## Ms. Jayashree Vaidhyanathan

### Independent Director

Jayashree Vaidhyanathan is an Independent Director of the Company. She currently serves as a Co-Founder and CEO of BCT Digital, a technology company specialising in AI and Predictive analytics. Prior to BCT, she was associated with Scope International Private Limited as Head of Technology and Strategy and served as a partner with Accenture Services Private Limited. She has also served as an Independent Director in Altran, a \$3.2 Billion Global Engineering and Innovation consulting firm and Mahindra Sanyo Steel. She holds a B.E. degree in Computer Science Engineering from University of Madras and an MBA from Cornell University. She is also a Chartered Financial Analyst from the Association for Investment Management and Research. Her appointment as an Independent Director of the Company was approved by the shareholders at the Extra Ordinary General Meeting held on 16 December 2019.



DOA: 28 April 2019

## Mr. Imtaiyazur Rahman

### CEO & Whole Time Director

Imtaiyazur Rahman is the Chief Executive Officer and Whole-Time Director of the Company. He has more than 30 years of experience in management, business leadership, leading change and forming strategic alliances. He joined the UTI Group in 1998 as part of UTI Investor Technology Services Ltd. and joined UTI AMC Ltd. in 2003. He was also the CFO of the Company from 2005. In his role as Group President & Chief Finance Officer, he headed the functions of Finance, Accounts, Taxation, Information Technology and Board related matters. He is a Science graduate, Fellow member of Institute of Cost Accountants of India and Institute of Company Secretaries of India, Certified Public Accountant (USA) and GAMP (ISB-Kellogg).

Mr. Rahman is on the Board of UTI International (Singapore), UTI International Ltd. Guernsey, UTI Venture Funds Management Co. Pvt. Ltd., UTI Capital Ltd., UTI Retirement Solutions Ltd., IOT Infrastructure & Energy Services Ltd. and Association of Mutual Funds in India. He was also a member of the working group for risk management in liquid schemes constituted by SEBI. Prior to joining the Company, he was associated with Sumeet Machines Ltd, Leasing Finance India Ltd, Bells Controls Ltd, New India Rubber Works (P) Ltd. and S. Gupta & Co.



## Senior Management



**Mr. Imtaiyazur Rahman**

Chief Executive Officer  
and Whole-Time Director



**Mr. Surojit Saha**

Chief Financial Officer



**Mr. Arvind Patkar**

Company Secretary



**Mr. Amandeep Chopra**

Group President  
and Head of Fixed Income



**Mr. Vetri Subramaniam**

Group President  
and Head of Equity



**Mr. Peshotan Dastoor**

Group President  
and Head of Sales



**Mr. Gaurav Suri**

Senior Executive Vice President  
and Head of Marketing



**Mr. Indranil Choudhury**

President  
and Head of Human Resources



**Mr. Vivek Maheshwari**

Senior Executive Vice President,  
Head of Risk and Compliance Officer (MF)



**Mr. Vinay Lakhota**

Senior Executive Vice President  
and Head of Operations



**Mr. Siddamurthy  
Raghunath Reddy**

Executive Vice President  
and Head of Information Technology



**Mr. Sandeep Samsi**

Executive Vice President,  
Executive Assistant to CEO  
and Head of Corporate Communications,  
Strategy & Investor Relations



**Mr. Balram Bhagat**

Chief Executive Officer  
– UTI Retirement Solutions Ltd.



**Mr. Praveen Jagwani**

Chief Executive Officer  
– UTI International Ltd.

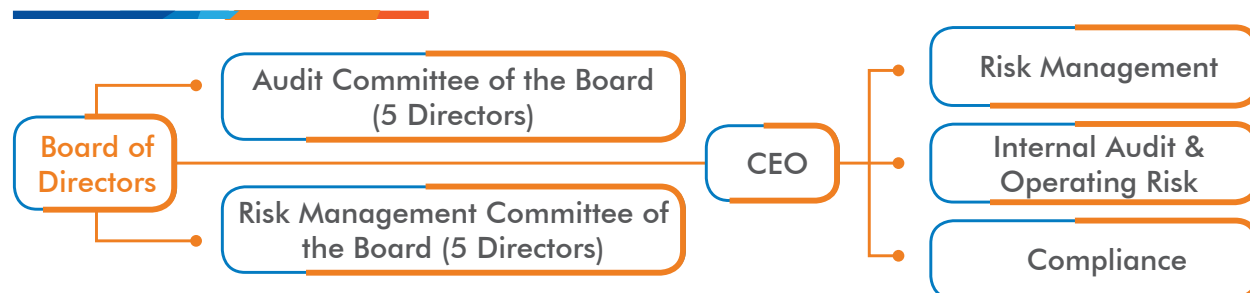


**Mr. Rohit Gulati**

Chief Executive Officer  
– UTI Capital Ltd.

# RISK MANAGEMENT AT UTI AMC

Risk management is one of the key focus areas for us at UTI AMC. We have established processes and systems in place to ensure a robust company-wide risk management. Our Board of Directors formulates and periodically reviews our risk management policies, procedures and processes. These entail delegation of investment and financial responsibilities, establishing prudent investment norms, approving and disseminating guidelines and restrictions, and establishing counter-party limits. The Board also reviews the performance of funds against the relevant benchmark and competing funds. Besides, we have a well-qualified team of professionals with rich experience, which reports to the Board.



| Description   | Mitigation Measures  |   |
|---|--|---|
| <p><b>Market :</b> The risk of uncertainty is associated with any investment decision. Price volatility often arises due to unanticipated fluctuations in factors that commonly affect the entire financial market.</p> <p>Market risk is the possibility of loss arising from changes in the value of a financial instrument due to changes in market variables such as equity prices, interest rates, exchange rates or other asset prices, or higher volatility of funds or returns as compared to the benchmark or competing funds.</p> | <ul style="list-style-type: none"> <li>Position limits</li> <li>Price movement alerts</li> <li>Stress Tests and Value at Risk (VaR)</li> </ul> | <ul style="list-style-type: none"> <li>Risk adjusted performance measurement</li> </ul> |

| Description   | Mitigation Measures   |
|---|---|
| <b>Operational:</b> The risk of loss from inadequate or failed internal processes and systems or from external events, including employee errors, improper documentation of transactions, failure of operational and information security procedures, computer systems, software or other equipment, business interruptions and inappropriate behaviour of employees or vendors.  | <ul style="list-style-type: none"> <li>● Straight through processing</li> <li>● Segregation of front office and back office</li> <li>● Inbuilt systems control</li> <li>● Concurrent Audit (Dealing and NAV)</li> <li>● Internal Audit Function</li> <li>● Adequate risk disclosures and trained sales team</li> <li>● Offsite DR Centre</li> <li>● Business Continuity Planning and periodic DR Drills</li> <li>● Comprehensive Insurance</li> <li>● Board of Trustees and Compliance Officer</li> </ul> |
| <b>Credit:</b> The risk of loss in the market value of debt securities due to downgrading by credit rating agencies or default in payment by issuers.   | <ul style="list-style-type: none"> <li>● Counter-party exposure limits</li> <li>● Committee's approval above predefined limits</li> <li>● Independent review of external credit ratings</li> <li>● In-house Credit Research Team</li> <li>● Early warning signal framework and system</li> <li>● Investment in high rated debt securities</li> <li>● Restrictions on unrated investments</li> <li>● Review of Credit VaR</li> </ul>   |
| <b>Investment:</b> Our funds are exposed to underperformance risk with respect to both the relevant benchmarks and competing funds due to investment related risks, which include market risks and credit risks.  | <ul style="list-style-type: none"> <li>● Comprehensive Investment Manual</li> <li>● Benchmarking</li> <li>● Regular monitoring of funds</li> <li>● Quantitative investment restrictions</li> <li>● Inbuilt System Control</li> <li>● Review of Performance Research Fund</li> <li>● Independent dealing room</li> <li>● Performance-based Incentive</li> <li>● Independent risk management</li> </ul>   |
| <b>Liquidity/Concentration:</b> This risk mainly arises in respect of open-ended funds, which typically allow investors to redeem their units at any time. If a significant number of investors opt for redemption from a particular fund simultaneously, the fund may face liquidity risk. The risk is particularly high in respect of Income Funds, considering the low level of debt securities actively traded in Indian markets and the high concentration of investors in select funds. | <ul style="list-style-type: none"> <li>● Review of equity holdings</li> <li>● Review of portfolio concentrations</li> <li>● Review of investors' concentration</li> <li>● Position limits for single positions</li> <li>● Line of credit</li> <li>● Minimum regulatory liquid assets</li> </ul>   |

**Covid-19 impact:** As a part of our response to the Covid-19 pandemic, we reinforced our operational risk management and enhanced our business continuity programme. It helped us scale beyond the physical office premises and enabled our employees to work from home with secure remote access (including usage of virtual private networks and two-factor authentication for software as a service-based application). Additionally, we also adopted certain policies and procedures to manage various risks applicable to our operations. Even under a digital environment, the basics of the risk management process remain the same. Hence, even during these testing times, we continue to operate within strong governance structures, and we will continually endeavour to enhance and strengthen it.

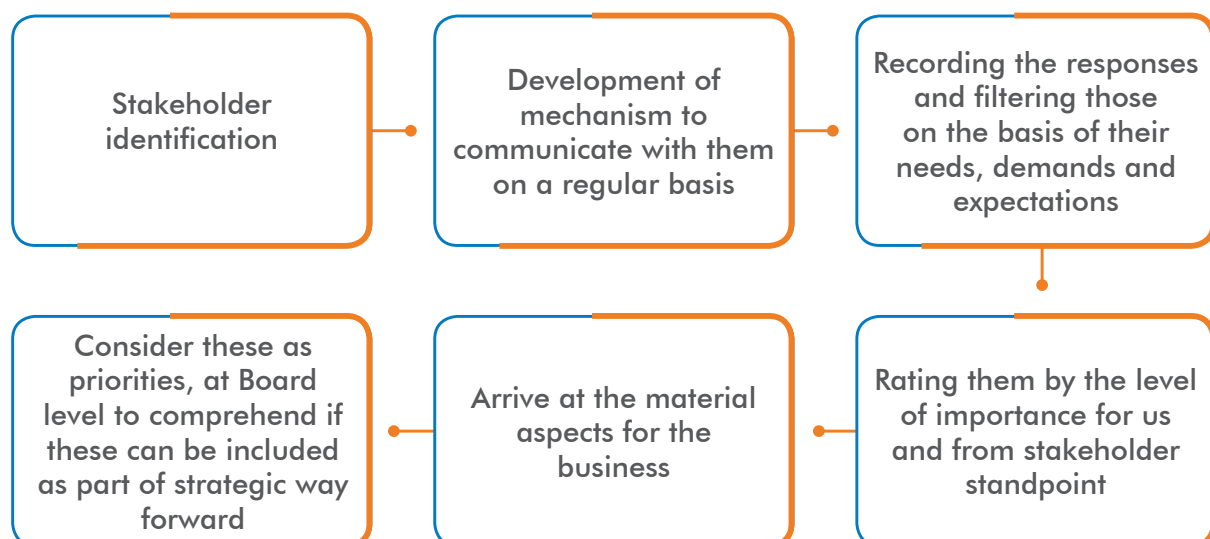
# MATERIALITY AND STAKEHOLDER ENGAGEMENT AT UTI AMC

At UTI AMC, being part of the Mutual Fund industry, our business is dependent on relationships with our several stakeholders including customers, employees, shareholders, business associates, communities, and regulators, among others. We believe that a successful business is all about strong relationships.

While engaging with our stakeholders, it is highly imperative to take cognisance of the material aspects that could impact our ability to create value over the short, medium and long-term horizons. This belief fosters an inclusive approach focussed on understanding their needs, interests and expectations.

We regularly engage with them and periodically review these material aspects in the context of the macroeconomic environment, changing business environment, social, emerging trends and feedback from stakeholders. In identifying the material issues, we follow a process to determine those issues which could significantly impact the sustainability of the business across various cycles. As a result, enabling us to create value for both, the organisation as well as the stakeholders.

## Process used to identify material issues





## Material issues identified by the us through our engagements with our stakeholders:

| Parameters of high importance                        |  |   |
|--|--|---|
| Customer-centricity                                  | Economic                                     | Responsible business practices                  |
| Customer service                                     | Economic performance                         | Ethical practices, anti-bribery, and corruption |
| Data protection and information security             | Risk modelling and management                | Transparency and disclosures                    |
| Stability of system and processes                    | Financial performance                        | Responsible investment                          |
| Innovation and IT deployment                         | Cost control and profit margin               | Community well-being                            |
| Customer protection and satisfaction                 | Market/Product competition                   | Risk and capital management                     |
| Product quality                                      | Industry trends                              | Climate change                                  |
| Technological advancement                            | Delivering appropriate shareholders' returns | Grievance mechanisms                            |
| Brand loyalty and Company reputation                 |  | Diversity and inclusion                         |
| Investor awareness programmes and financial literacy |  | Employee engagements                            |
|  |  | Occupational health and safety                  |
|  |  | Human rights                                    |
|  |  | Gender diversity                                |
|  |  | Talent retention and succession                 |
|  |  | Operational excellence                          |
|  |  | Waste management                                |

# STRATEGIC INITIATIVES PROPELLING OUR CAPABILITIES

At UTI AMC, our focus has been on developing strategies that eventually help deliver long-term value for us and the stakeholders at large. Our strategies are specially designed to respond to the current and expected future operating environments promptly. Thus, strengthening our capability and potential to create value.

## #Strategy 1

### **Increase geographical reach and expand distribution channels**

- Deepen presence in T30 cities
- Continue to leverage long-standing relationships with MFDs to reach more remote areas without incurring substantial costs
- Broaden distribution network enabling reach to individual investors (B30 cities and historically underserved areas)
- Developing relationships with small and medium-sized institutional clients

## #Strategy 2

### **Continue to develop PMS, Offshore and Alternative Funds businesses**

- Focus on distribution partnerships, including co-branded and white-labelled funds
- Expand in-house distribution and client coverage capabilities, including making further in-market hires overseas
- Strengthen relationships with wealth platforms and local banks
- Expand alternative investment funds business

## #Strategy 3

### Continue to attract, retain and develop human capital

- Ownership model and emphasis on team-oriented management
- Hired 158 personnel including management trainees in 2020-21

## #Strategy 4

### Drive superior investment performance across our categories of funds

- Increase the number of companies covered by the in-house research team and fund strategies
- Launch new products and enable AUM growth
- Refine performance review processes for fund managers and research analysts continuously, to optimise performance

## #Strategy 5

### Actively pursue additional partnership opportunities

- Explore opportunities to establish strategic partnerships with established distributors, including aggregators with extensive networks of sub-brokers

## #Strategy 6

### Leverage technology and digitalisation to enhance efficiency and cost optimisation

- Improve customer engagement and ensure data security
- Continued investments in digital marketing and other customer- and distributor-facing digital initiatives
- Build interfaces for fintech, payments and other digital distribution platforms