

WITHOUT PREJUDICE

January 27, 2020

To:

Mr. P. K. Abrol
General Secretary
All India UTI AMC Officers Association

Re: Your e-mail dated December 25, 2019 in relation to the draft red herring prospectus dated December 18, 2019 (“DRHP”) filed by UTI Asset Management Company Limited (“Company”) (“Email”)

Sir,

This is in relation to the above captioned Email addressed to the Securities and Exchange Board of India (“SEBI”) and forwarded to us on December 27, 2019, in connection with the DRHP. At the outset, we deny all the allegations, and statements against the Company included in the Email and state that such allegations and statements do not indicate or establish inadequate disclosures in the DRHP. It is further submitted that disclosures in the DRHP have been made in accordance with the Companies Act and SEBI ICDR Regulations and are true and correct. Allegations and statements not specifically denied in this response are also denied as not meriting a response.

Capitalised terms not defined herein have the meaning ascribed to such terms in the DRHP.

Please see below our responses to the allegations made in the Email:

1. We deny the allegations in paragraphs 1 and 2 of the Email, including that the Company is a government company and that it is promoted by the Government of India and indirectly influenced by the Government of India. It is submitted that the Company is not a government company in terms of Companies Act and it is not promoted by the Government of India. As disclosed in the DRHP, the Company is a professionally managed company and has no identifiable promoter in terms of the Companies Act and SEBI ICDR Regulations. Further, the letter, dated January 17, 2019, from DIPAM to the Company and referred in the Email also states that the Company is controlled by its board of directors.
2. We deny the allegations in paragraph 3 of the Email, including that the status of compliance of the Trustee Company with the SEBI Mutual Fund Regulations has not been disclosed. As disclosed on page 325 of the DRHP, pursuant to the order of the SEBI whole time member dated December 6, 2019, LIC, SBI and BOB have been granted time until December 31, 2020 to ensure compliance with the requirements under Regulation 7B of the SEBI Mutual Fund Regulations. In view of the above, the allegation that the Sponsors will continue to direct the functioning of the Company does not merit a response.

Further, allegations in relation to transfer of 26% stake by the Sponsors to T. Rowe Price International Ltd in 2010 without obtaining requisite government approvals are denied. The transfer was undertaken with approval from the Government of India and other regulatory authorities, as required. The writ petition (bearing no. WP 1509/2015) indicated in paragraph 3 of the Email has been disclosed in DRHP in “*Risk Factors - Our Company, Subsidiaries and Directors are subject to litigation risks and are involved in a number of legal proceedings that, if determined against them, could adversely impact our reputation and may have an adverse effect on our*



business, results of operations and financial condition.” and “*Outstanding Litigation and Material Developments*” on pages 32 and 318 of the DRHP, respectively. This writ petition is *sub-judice* and subject to the decision of the High Court of Bombay. Further, the High Court of Bombay has not passed any order granting relief to the petitioners in the above writ petition, including at the last hearing on January 16, 2020, and accordingly, the allegations in this regard in the Email do not merit a response.

3. We further deny the allegations referred to in paragraph 4 of the Email. Given that the Company is not a government company in terms of the Companies Act, the CIN of the Company was changed from U65991MH2002GOI137867 to U65991MH2002PLC137867 in MCA’s records in 2016 to reflect the status of the Company as a non-government company. Further, the updated CIN of the Company has been disclosed on the cover page and page 56 of the DRHP, in accordance with the SEBI ICDR Regulations.

We submit that UTI RSL, in 2016, had written a letter to MCA to change its record to indicate the status of UTI RSL as a non-government company. While the sub-category type of UTI RSL in MCA records has been updated to reflect its status as a non-government company, its CIN has not been updated in MCA’s record. UTI RSL has also written a letter, dated January 20, 2020, to MCA in this regard. Further, the Company does not have any control over the Trustee Company, and accordingly the allegations with respect to the CIN of the Trustee Company does not merit a response from the Company.

4. We deny the allegations in paragraphs 5 and 6 of the Email. DIPAM had forwarded the report of the committee of officers of DIPAM (“**DIPAM Report**”) for consideration by the Board of the Company. The Company, pursuant to the recommendation of the NRC, has already approved the change in pay and allowances to employees in accordance with the DIPAM Report and decision on other matters mentioned in the DIPAM Report will be taken after due deliberation. In terms of the examination report dated December 16, 2019, issued by the Statutory Auditors of the Company, the Restated Financial Information is in accordance with the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time and reflects the financial impact of the proposals in the DIPAM Report that have been approved by the Board such as the changes in the pay and allowances to employees. The disclosures in the DRHP have been made in accordance with the Companies Act and the SEBI ICDR Regulations.
5. In relation to the allegations and statements made in paragraphs 7 and 8 of the Email, we submit that the notice of the writ petitions filed by your association and mentioned in paragraphs 7 and 8 of the Email were not received by the Company as on the date of filing the DRHP, and accordingly, such cases have not been disclosed in the DRHP. Further, as on date of this response, we have not received the copy of the writ petitions mentioned in paragraphs 7 and 8 of the Email. Upon receipt of the copy of such writ petitions, the Company will evaluate disclosure of these matters in the RHP and Prospectus in accordance with the requirements of the Companies Act and the SEBI ICDR Regulations.
6. We deny the allegations in paragraph 9 of the Email. The Erstwhile UTI and the Company have been exempted from the provisions of certain shops and establishments act (*as applicable to the concerned State*) pursuant to the notifications issued by the concerned authority under such legislations (“**Exemption Notifications**”). It is submitted that the Exemption Notifications do not indicate any change in the status of the exemptions will occur pursuant to the change in shareholding structure of the Company post the Offer. Further, we believe that withdrawal of such Exemption Notification will not have any material impact on the Company.
7. We deny the allegations in paragraph 10 of the Email, including that the Comptroller and Auditor General of India (“**CAG**”) had undertaken an investigation against the Company in 2017. Pursuant to letters issued by the



All India UTI AMC Officers Association to the CAG, the CAG had sought certain clarifications from the Company to which the Company had responded. Further, we submit that there is no ongoing investigation by the CAG which is required to be disclosed in the DRHP.


8. We would further like to highlight that, as disclosed in “*Other Regulatory and Statutory Disclosure*” on page 325 of the DRHP, the DIPAM, through its approval letter, dated September 12, 2019, has approved the proposed divestment by the Selling Shareholders pursuant to the Offer. Additionally, the Offer will not result in any change in Sponsors of the Company and the Sponsors will continue to hold more than 40% equity share capital of the Company in aggregate, post the completion of the Offer.

This response is without prejudice to any legal actions taken or that may be taken by the Company or any remedies available to the Company against you or any plea that the Company may take in any legal proceedings that are currently pending or that may arise in the future.

We trust this clarifies the issues raised in the Email.

Thanking you.

Yours faithfully,



For UTI Asset Management Company Limited