

## UTI Mutual Fund

### Update on exposures of Scheme(s) of UTI Mutual Fund in Dewan Housing Finance Corporation Limited (DHFL)

#### Company Update

DHFL was incorporated in the year 1984 and was the third largest housing finance company with AUM of Rs. 126,700 crore as on December 31, 2018 (CAGR growth of 27% in last 5 years). It was primarily engaged in providing home loans to the lower and middle income economic category in Tier II and Tier III cities of India.

Since September 2018, the NBFC and HFC sector is undergoing a liquidity crisis post the default of a large infrastructure conglomerate in August 2018. Since September 24, 2018, the start of liquidity crisis, to June 3, 2019, DHFL has repaid ~Rs. 40,000 crore to its creditors, including retail fixed deposit holders, which was managed primarily through securitization and direct assignment of loan pools to banks.

#### Delay in repayment of interest and principal and subsequent Rating Action

On June 4, 2019, DHFL had interest and principal payments to the tune of ~Rs. 1,100 crore and the company failed to repay on the scheduled date.

Subsequently, on June 5, 2019, CRISIL has downgraded its rating on the commercial paper (CP) of DHFL to 'CRISIL D' from 'CRISIL A4+', based on delay in debt servicing due to inadequate liquidity, modest capital position and modest earnings. ICRA also downgraded the CPs of DHFL on June 5, 2019 to D due to reduced ability to refinance and stretched liquidity position, rising share of non-housing loans and moderate economic capitalisation indicators. CARE has on June 5, 2019 downgraded all securities (NCDs, Subordinated Debt, Perpetual Debt, Non-convertible Preference shares, FDs and Long-term Bank Facilities all aggregating to Rs. 102,563 crores) of DHFL to D. The rating revision takes into account the recent instance of delay in servicing of obligations with respect to some of the non-convertible debentures by DHFL due to prolonged liquidity stress.

#### Rationale for valuation

AMFI appointed valuation agencies have provided a standard haircut matrix for below investment grade securities based on the rating, industry, security and seniority. As per the matrix, the haircut applicable for DHFL's senior secured NCDs is 75% as it is rated D. We anticipate there would be enhanced pressure on DHFL from all creditors, including exercise of early redemption clause and legal options by various lenders. This is expected to further delay the recovery efforts of the company in disposal of its assets in an orderly manner. Furthermore, there is no secondary market for such securities in the current scenario. Considering all these factors we have increased the mark-down from 75% to 100%. If there is any recovery in future, the provision will be written back to the scheme(s) on actual receipt basis.

#### **Mutual Fund investments are subject to market risks, read all scheme related documents carefully**

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## Impact on Valuation – June 6, 2019

Scheme Name	ISIN	Issuer Name	Rating	Price at which the security is valued (% of Face Value)	Price post haircut provided by valuation agencies (% of Face Value)	Impact in Rs. Crore	Percentage impact on AUM (%)
UTI - Unit Linked Insurance Plan	INE202B07IK1	Dewan Housing Finance Corporation Limited	CARE D	0	25	-13.75	-0.31
UTI - Unit Linked Insurance Plan	INE202B07IY2	Dewan Housing Finance Corporation Limited	CARE D	0	25	-3.00	-0.07
UTI - Unit Linked Insurance Plan	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-25.00	-0.57
UTI - CCF - Saving Plan	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-25.00	-0.69
UTI - Retirement Benefit Pension Fund	INE202B07IK1	Dewan Housing Finance Corporation Limited	CARE D	0	25	-13.75	-0.50
UTI - Retirement Benefit Pension Fund	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-12.50	-0.45
UTI - Hybrid Equity Fund	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-12.50	-0.22
UTI - Bond Fund	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-12.50	-2.02
UTI - Short Term Income Fund	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-100.00	-3.99
UTI - Treasury Advantage Fund	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-100.00	-3.70
UTI - Ultra Short Term Fund	INE202B07HQ0	Dewan Housing Finance Corporation Limited	CARE D	0	25	-16.54	-0.45
UTI - Ultra Short Term Fund	INE202B07IC8	Dewan Housing Finance Corporation Limited	CARE D	0	25	-4.04	-0.11
UTI - Ultra Short Term Fund	INE202B07IK1	Dewan Housing Finance Corporation Limited	CARE D	0	25	-6.25	-0.17
UTI - Ultra Short Term Fund	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-6.25	-0.17
UTI - Regular Savings Fund.	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-25.00	-1.00
UTI - FIIF Annual Interval	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-0.50	-1.71

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Plan I							
UTI - Dynamic Bond Fund.	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-12.50	-1.89
UTI - Credit Risk Fund.	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-48.75	-1.14
UTI - Medium Term Fund	INE202B07J13	Dewan Housing Finance Corporation Limited	CARE D	0	25	-1.25	-0.38
UTI - Dual Advantage Fixed Term Fund Series II - I (1998 Days)	INE202B07GA6	Dewan Housing Finance Corporation Limited	CARE D	0	25	-3.75	-2.10
UTI - Dual Advantage Fixed Term Fund Series II - II (1997 Days)	INE202B07GE8	Dewan Housing Finance Corporation Limited	CARE D	0	25	-0.75	-3.00
UTI - Dual Advantage Fixed Term Fund Series II - V (1997 Days)	INE202B07GL3	Dewan Housing Finance Corporation Limited	CARE D	0	25	-0.88	-1.91
UTI - Dual Advantage Fixed Term Fund Series III - I (1998 Days)	INE202B07GL3	Dewan Housing Finance Corporation Limited	CARE D	0	25	-0.50	-1.87
UTI - FTIF Series XXIV - XV (1099 Days)	INE202B07HE6	Dewan Housing Finance Corporation Limited	CARE D	0	25	-1.25	-2.18
UTI - Dual Advantage Fixed Term Fund Series III - II (1278 Days)	INE202B07IJ3	Dewan Housing Finance Corporation Limited	CARE D	0	25	-1.30	-2.03
UTI - FTIF Series XXIV - XVII (1098 Days)	INE202B07IF1	Dewan Housing Finance Corporation Limited	CARE D	0	25	-0.70	-2.15
UTI - FTIF Series XXV - I (1099 Days)	INE202B07IG9	Dewan Housing Finance Corporation Limited	CARE D	0	25	-1.58	-2.19
UTI - Dual Advantage Fixed Term Fund Series III - III (1102 Days)	INE202B07IH7	Dewan Housing Finance Corporation Limited	CARE D	0	25	-0.63	-2.24
UTI - FTIF Series XXV - II (1097 Days)	INE202B07I15	Dewan Housing Finance Corporation Limited	CARE D	0	25	-2.75	-2.15

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UTI - FTIF Series XXV - III (1100 Days)	INE202B07HQ0	Dewan Housing Finance Corporation Limited	CARE D	0	25	-1.25	-1.88
UTI - FTIF Series XXV - IV (1100 Days)	INE202B07IJ3	Dewan Housing Finance Corporation Limited	CARE D	0	25	-1.65	-2.21
UTI - FTIF Series XXV - VI (1098 Days)	INE202B07IJ3	Dewan Housing Finance Corporation Limited	CARE D	0	25	-2.75	-2.30
UTI - FTIF Series XXV - VII (1097 Days)	INE202B07IJ3	Dewan Housing Finance Corporation Limited	CARE D	0	25	-1.25	-2.18
UTI - FTIF Series XXV - VIII (1100 Days)	INE202B07IJ3	Dewan Housing Finance Corporation Limited	CARE D	0	25	-0.75	-2.01
UTI - FTIF Series XXV - IX (1098 Days)	INE202B07IJ3	Dewan Housing Finance Corporation Limited	CARE D	0	25	-1.30	-2.22
UTI - Fixed Term Income fund - Series XXIX - III (1131 DAYS)	INE202B07IY2	Dewan Housing Finance Corporation Limited	CARE D	0	25	-2.25	-2.50
UTI - Fixed Term Income fund - Series XXIX - V (1113 DAYS)	INE202B07IY2	Dewan Housing Finance Corporation Limited	CARE D	0	25	-1.00	-1.91
UTI - Fixed Term Income fund - Series XXIX - IX (1109 DAYS)	INE202B07IY2	Dewan Housing Finance Corporation Limited	CARE D	0	25	-8.00	-2.94
UTI - Fixed Term Income fund - Series XXIX - XI (1112 DAYS)	INE202B07IY2	Dewan Housing Finance Corporation Limited	CARE D	0	25	-4.50	-2.92
UTI - Fixed Term Income Fund Series XXX-III (1106 Days)	INE202B07IY2	Dewan Housing Finance Corporation Limited	CARE D	0	25	-2.00	-0.91

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