



MSEARCH

IPO OFFERING

**HDFC ASSET MANAGEMENT
COMPANY LTD**



Recommendation: Subscribe for long term wealth

HDFC Asset Management Company Ltd (HDFC AMC) is one of India's leading & largest AMC (in equity-oriented AUM). HDFC AMC operates in India with a joint venture between Housing Development Finance Corporation Limited ("HDFC") and Standard Life Investments Limited. Since inception HDFC AMC is the most profitable asset management company in India in terms of net profits since Fiscal 2013 with a total AUM of Rs.2,91,985 crore as of March 31, 2018. It offers a large suite of savings and investment products across asset classes, which provide income and wealth creation opportunities to their customers. HDFC AMC also provides portfolio management and segregated account services to HNIs, family offices, trusts, domestic corporates and provident funds etc. As of March 31, 2018, their market share of total AUM was 13.7% and of actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) was 16.8% among all asset management companies in India, according to CRISIL.

Price Band	: Rs. 1095 to 1100 per share
Face value	: Rs.5
Bid Lot size	: 13 Shares
Issue size	: Rs.2,788 Cr – 2,800 Cr
Issue Opens	: July 25th 2018, Wednesday
Issue Closes	: July 27th 2018, Friday
Min App Amount	: Rs. 14,300/- at upper band
HDFC Ltd Shareholders	: 2,400,000 Shares (Reservation)

Msearch View:

We believe Investors are getting best opportunity to invest in the industry leader at a reasonable price. Assuming Indian Mutual Fund Industry is in focus and expecting higher inflows going forward and with low penetration levels will support growth in AMC business in the long run. Considering the higher concentration level of equity assets in the AUM, most profitable AMC label and the parent brand name association, IPO offer price seems to be justified. On valuation perse HDFCAMC is available at 32x PE with 40%+ ROE for last 15 years and expect the similar growth in next few years. We expect that HDFC AMC would report better growth performance in the long run and will match up to its listed group companies performance. Hence we recommend investors to "SUBSCRIBE" the issue with a view of making long term wealth.

Kindly Contact Mehta Equities :

www.mehtagroup.in or Call @ 022-61507123/145

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