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Date - July 29, 2020

National Stock Exchange of India Limited Exchange Plaza, Plot C/1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400051	BSE Limited Sir PJ Towers, Dalal Street, Mumbai – 400001
Kind Attn: Head – Listing Department	Kind Attn: Sr. General Manager – DCS Listing Department

Dear Sirs,

Subject – **Publication of Notice in newspaper containing Un-audited Financial Results of the Company for the first quarter ended June 30, 2020**

Pursuant to the captioned subject, please find enclosed herewith copies of newspaper clippings published by the Company.

The said newspaper clippings are also available on website of the Company, www.hdfcfund.com

This is for your information and records.

Thanking you,

Yours Faithfully,

For **HDFC Asset Management Company Limited**

Sylvia Furtado
Company Secretary

Encl: a/a

HDFC Asset Management Company Limited

A Joint Venture with Standard Life Investments

CIN: L65991MH1999PLC123027

Registered Office : "HDFC House", 2ndFloor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai-400 020
Tel.: 022 - 6631 6333 Fax: 022 - 6658 0203 Website: www.hdfcfund.com email: shareholders.relations@hdfcfund.com

Understanding the cost-conscious consumer

Value packs, local roots, budget labels mark the new shopping trail as consumers emerge from a series of lockdowns

ARUNDHUTI DASGUPTA
Mumbai, 23 July

With lockdowns easing up across the country, brands are looking to step back on to the slow-grinding treadmill of consumption. And as marketers rush to understand the new consumer, a bunch of surveys and research reports are throwing up clues to the emerging mindset: budget buys, large packs and loyalty with a frugal touch is the picture they paint, of the cost-conscious post-pandemic shopper. As for the rise of local brands, expect a twist in the tale.

Consumer behaviour is being influenced by anxieties that are preying on their desire to consume and propensity to spend. According to reports from Nielsen, Deloitte, Kantar, EY and KPMG, this has led to numerous adjustments in wants and aspirations, apart from creating an accelerated path to digital modes of payment.

All reports have said that the most prominent and lasting impact of the pandemic on consumer behaviour is the digital shift that it has brought about. According to a KPMG report (Time to open my wallet) post Covid-19, 60 per cent of the people surveyed across cities said they preferred to shop online as compared to 36 per cent in the pre-Covid-19 period. "Typically, the 51-plus age band is the toughest to crack in terms of onboarding for e-commerce but that has doubled from pre-Covid-19 levels," the report noted. Also tier-2 and tier-3 cities were seen to be more inclined towards online buying, almost 2X than pre-Covid-19.

The online adoption has



been documented by many but, tangled within the digital web, are a bundle of small and big shifts that could bring about lasting change in the way customers and brand engage with each other.

Bulk buys and value packs

According to EY and Nielsen reports, the post pandemic consumer is buying more on every purchase expedition. According to K Ramakrishnan, managing director-South Asia, Worldpanel Division, Kantar, people are buying in larger quantities and that explains the volume growth that several brands have seen during the Covid-19 months.

It is not as if Indian consumers did not buy in bulk at all in the past; they did, but only when the value proposition was appealing enough. However there is a difference this time around. People want to cut down the number of trips to the store and want to stock up to avoid a situation like the one they faced in the early days of the lockdown.

Hygiene issues and fear are pushing consumers towards larger, bigger shopping carts. This is a sharp change from their pre-Covid-

19 behaviour and is likely to stay for the long term.

Budget trails and brand loyalty

A Nielsen report on the evolving consumer dynamics in a post Coronavirus world (July 2020) notes that consumers are staying away from discretionary spending, a trend that has significantly increased since its April study. The KPMG report offers a similar insight. "Consumers will be diligent in terms of their financial stability and companies need to adapt this new way of thinking," it said.

The consumer is trapped within several layers of anxieties (economic and health) and has become extremely sensitive to price and need. Priya Lobo, CEO Ormax Compass, says that everyone is asking two questions before making a purchase: Do we really need it? And is the purchase worth the price? Brands have to factor in this reality in their approach to consumers.

The budget conscious and anxious consumer is evaluating purchase options more carefully. And this, according to Shashank Shwet, partner-Customer Experience

and Design Thinking, EY India has created a small window of opportunity of brand switch where new brands can find their way in (if they promise better value, safety and such). "If they are able to hold the trust of the customer, they may well displace old loyalties," he said.

Rooting for local

The clamour for local has grown over the past few months but is this likely to influence consumer behaviour?

According to the Nielsen report, there is a rising sentiment towards local but the understanding of local is a nuanced one. "Manufacturers need to understand the nuances of consumer perception of local and highlight their connection with Indian consumers in their communication," it noted.

Ramakrishnan says that in the surveys his teams conducted, things that have been used for a long time are being seen as national or local brands. Hindustan Unilever's Surf or Mondelez's Cadbury are perceived to be Indian brands, for instance. Local may be the flavour of the season but what or who is truly local is still up in the air.

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Job scheme...

The debate around a job scheme for the urban poor has been going on for a while now. The latest to speak in its favour was Ashima Goyal, member of the Economic Advisory Council to the Prime Minister (EAC-PM).

"As lockdown eases, people go out and you may see more direct demand stimulus, which may take the form of DBT (direct benefit transfer) or infrastructure spending. My personal view is that there is scope for an urban MGNREGS, where you provide employment to the poor," Goyal had said in her personal capacity at an event last month.

In 2019, Amit Basole, Mathew Idiculla, Rajendran Narayanan, Harini Nagendra, and Seema Mundoli from Azim Premji University presented a paper titled "The State of Working India", which was on the broad contours of an Urban Employment Guarantee Act.

The academics proposed providing 100 days of guaranteed work at ₹500 a day and 150 contiguous days of training and apprenticeship at a monthly stipend of ₹13,000 for the educated youth in such urban clusters.

Some 4,000 urban local bodies, accounting for about 50 per cent of the population (census 2011 data), could be covered under the Act, they suggested.

The ₹50,000-crore Garib Kalyan Rozgar Abhiyaan seeks to provide livelihood to migrants who returned to their villages during the lockdown. It is not a new scheme but an umbrella initiative that encompasses 25

existing schemes and programmes.

The aim is to provide livelihood opportunities for 125 days for more than 6 million migrants and covers 116 districts in six northern and eastern states.

Sources said of the ₹50,000 crore allocated for the programme, around ₹10,000 crore has been spent in less than two months, reflecting the absorption capacity of such initiatives.

Q1 early bird...

The Nifty50 index is on course to post gains for a sixth consecutive week.

The combined PBT of these 12 index companies was down 3.4 per cent YoY, while their profit after tax was up 11 per cent during the quarter. These companies' revenue was up 6 per cent.

This is better than what brokerages expected from the country's top 50 companies in Q1FY21. For the 50 stocks in the Nifty50 index, brokerages had estimated a 27 per cent YoY decline in combined revenues and net profit during the quarter.

Analysts attribute this to an improvement in margins and tax savings. "While revenues are down for most companies, margins are up across the board due to gains from lower raw material and energy prices, and cut in discretionary expenses like advertising and travel, besides lower taxes," said G Chokkalingam, founder and MD, Equinomics Research & Advisory Services.

The government had cut corporate income tax in September, resulting in a 310 basis points (bps) YoY decline in the tax rate for companies during the June 2020 quarter.

Operating margins for 80 companies, which exclude banks, non-bank finance and insurance companies, were up 100 bps YoY and 160 bps sequentially to 24.8 per cent of net sales in Q1FY21. Core operating margins, which exclude other income, were up 120 bps YoY and 130 bps sequentially to 22.4 per cent of the net sales. This is the highest operating margins reported by companies in at least last 16 quarters.

Analysts, however, caution against reading too much in the early bird numbers, as most of the large manufacturing companies are yet to declare results.

The sample is dominated by information technology and financial services players. Companies from these sectors account for 84 per cent of the combined PBT of the early bird sample and 76 per cent of the combined revenues.

The impact of the pandemic was felt in the manufacturing sector, where the combined net sales of 67 early bird companies was down 23 per cent YoY in Q1FY21, while PBT was down 35 per cent. It could have been worse if not for the 27 per cent decline in their

raw material cost and 33 per cent cut in discretionary expenses.

RBI seeks...

The vehicle financing unit had outstanding loans of nearly ₹1.2 trillion as of June 30, 2020. HDFC Bank is bracing for a leadership change with Puri set to step down after 26 years at the helm. He will retire when he turns 70 in October under RBI rules that restrict the age of top bank executives.

According to media reports, HDFC Bank has fired at least six senior and mid-level officials after an internal probe on the allegations of "improper lending practices" and "conflict of interest". The probe found they breached the code of conduct and governance rules and indulged in corrupt practices.

The probe reportedly found that the bank's car loan customers were given GPS devices by bundling them in auto loans without their knowledge. These executives apparently sold the GPS devices with auto loans to achieve sales targets from the years 2015 to 2019, and allegedly to track customers in case of loan default.

(With inputs from BS Reporter)

Flipkart adds...

Sameer Aggarwal, CEO of Walmart India, will remain to ensure a smooth transition, after which he will shift to another role.

The move will help Flipkart take on Amazon and JioMart. Both companies are rapidly bringing kiranas and local shops onto their platforms.

Satish Meena, senior forecast analyst at Forrester Research, said the acquisition of Walmart India makes a lot of sense as everyone has realised that local kirana stores, which account for 80 per cent of the retail market, cannot be ignored. "Flipkart now suddenly has more than 1.5 million partners, which include small businesses and kiranas," said Meena.

Only 7 per cent of the \$1.2-trillion retail market is online, and these players are aggressively eyeing the remaining 93 per cent. Experts said the changing business dynamics, on account of the outbreak, triggered this acquisition. Players are gradually moving away from opening physical stores. "Small merchants are now looking forward to technology adoption, compared to the pre-Covid era. After JioMart's entry, I think it was relevant for Flipkart to act quickly," added Meena.

Flipkart is looking to offer attractive incentives to small businesses, which will be supplemented with data-driven recommendations for stock selection.

In addition, kiranas and MSMEs will benefit from access to easy credit options and opportunities for new income generation, through various Flipkart initiatives. "Today marks the next big step as Walmart India's pioneering cash-and-carry legacy meets Flipkart's culture of innovation in the launch of Flipkart Wholesale," said Judith McKenna, president and CEO of Walmart International.

TENDER CARE

— Advertorial

PNB, CIRCLE OFFICE VADODARA DISTRIBUTES MASKS AND SENITIZERS

Punjab National Bank, Circle Office Vadodara distributed Masks and sanitizers at District Development Office, Vadodara to fight against COVID-19 pandemic. This activity is carried out at 8 districts under Circle Office Vadodara and at 684 districts across india by Bank to fight against COVID-19 pandemic.



GAIL TO INVEST IN START-UPS OPERATING IN THE AREA OF COMPRESSED BIO GAS

In a bid to support Start-Ups operating in the area of Compressed Bio Gas (CBG), GAIL (India) Limited today announced plans to invest in such companies through its Start-Up initiative 'Pankh'. GAIL has opened a fresh Round for Solicitation of Investment Proposals from Start-Ups operating specifically in the area of CBG. The Start-Ups that are interested in equity investment from GAIL can apply on GAIL's website. GAIL has launched the 5th round for Solicitation of Investment Proposals from Start-Ups operating in the Area of Compressed Bio Gas (CBG) viz. Start-Ups that provide Technology or expanding their existing CBG plants or setting-up new CBG Plants. Start-Ups can submit their Investment Proposal on GAIL Start-Up web portal: <https://gailebank.gail.co.in/GSUI/CBG/index.aspx>. The Solicitation Round is open till July 24, 2020. India has vast biomass resources and the Government is giving special emphasis on its utilization by encouraging setting-up of CBG plants. Further, Oil & Gas Companies are ready to give commitment for offtake of CBG through issue of Letter Of Intent (LOI). Thus, it provides good business opportunity to Start-Ups operating in this area. GAIL had launched its ambitious Start-Up initiative 'Pankh' in July 2017 to invest in promising Start-Ups. So far, GAIL has made investments in 24 Start-Ups operating in various areas through four Solicitation Rounds.

PNB ZONAL OFFICE, KOLKATA DISTRIBUTES MASKS & SANITIZERS

Shri Ashwini Kumar Jha Chief General Manager, Zonal Office Kolkata has distributed Mask and sanitizer to Village welfare society under CSR Programme. In this program Mr. Binay Kumar Gupta, General Manager and Mr. Sumanta Mohanty, General Manager, Sh Shakshi Gopal Saha General Manager are also present.



BANK OF MAHARASHTRA OFFERS OVERDRAFT AGAINST FIXED DEPOSITS THROUGH MAHAMOBILE APP

Bank of Maharashtra (BoM), a premier public sector bank in the country, known for customer friendly services has launched an Overdraft facility (OD) against Fixed Deposits for its individual customers holding a SB account amidst pandemic. Under this OD facility, up to 90% value of FD can be availed attracting additional 2% interest rate over and above the FD rate. Bank of Maharashtra announced launch of an Overdraft Facility (OD) against Fixed Deposits to support customers in this pandemic. The OD facility can be availed from the comfort of home in three simple steps using Bank of Maharashtra's Mahamobile App.

Customers can avail up to 90% of the Fixed Deposit value under the overdraft facility, hence helping the customer without having to liquidate the Fixed Deposit Receipt.

UNION BANK, BHUBANESWAR REGION GETS NEW REGIONAL HEAD

Sovan Sengupta, DGM has joined as the new Regional Head of Union Bank of India, Bhubaneswar Region. After the merger of Andhra Bank and Corporation Bank with Union Bank, 69 branches will be operated under this Region. Prior to this new assignment he was heading Gwalior Region of the Bank in Madhya Pradesh. Sri Sengupta joined the Union Bank as an officer in the year 1990 and worked in different places in Madhya Pradesh, Chhattisgarh, Odisha, Bihar and Gujarat. Out of his tenure, he is having 27 years of branch experience serving customers directly. Recently being promoted to the post of DGM, he has been posted as the Regional Head of Bhubaneswar Region.



SAIL- ISP LAUNCHES PREMIUM SEGMENT WIRE ROD

To expand its market space across the spectrum of businesses and industries, SAIL-ISP has always been focusing on new product launches catering to the renewed requirements of customers. Continuing with its endeavor to convert the current situation into opportunity, the development of "Cable Armour Quality wire rod" was taken up at ISP to widen the product basket. This quality belongs to the premium segment of wire rod market wherein electrical resistivity is the most important requirement. Steel wire armour provides mechanical protection, which means the cable can withstand higher stresses. Electrical resistivity is an intrinsic material property and the chemical composition influences it. Based on internal discussion, the alloy design and process route was finalized wherein low levels of carbon and silicon were major technological challenges. Through the optimized usage of process enablers, cast billets were produced and rolled into 5.5 mm wire rods. Extensive product analysis for resistivity measurement under controlled environment was done in-house. The resistivity obtained was even lower than the requirement of 14.5x10-6 ohm-cm. About 170 MT have been produced and supplied to different customers and positive feedbacks praising the efforts of SAIL ISP have been received.

BS SUDOKU

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SOLUTION TO #3110

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Medium: ★★

Solution tomorrow

HOW TO PLAY

Fill in the grid so that every row, every column and every 3x3 box contains the digits 1 to 9

Notes:

- The above results of the Company have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on July 23, 2020. The results have been subject to Limited review by the Statutory Auditors of the Company.
- The above is an extract of the detailed format of Quarterly / Annual Financial Results filed with the National Stock Exchange of India Limited and BSE Limited under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly / Annual Financial Results are available on www.bseindia.com, www.nseindia.com and www.hdfcfund.com.

Milind Barve | Managing Director
DIN Number: 00087839

Place: Mumbai | Date: July 23, 2020