

Ref/No/HDFCAMC/SE/2020-21/69

Date – October 22, 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

Sub: Outcome of Board Meeting

Dear Sir/Madam,

We wish to inform you that the Board of Directors of HDFC Asset Management Company Limited (the Company) at its meeting held today i.e. October 22, 2020 has, *inter-alia*, approved the un-audited financial results of the Company for the quarter and half year ended September 30, 2020, which have been subject to limited review by the Statutory Auditors of the Company, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

A copy of said results along with limited review report on the financial results is enclosed herewith and the same are being uploaded on the website of the Company viz. www.hdfcfund.com. An extract of the said results will be published in the newspapers in accordance with the Listing Regulations.

The Board Meeting commenced at 02.30 p.m. and concluded at 4.30 p.m.

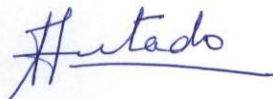
Please note that in terms of the AMC Share Dealing Code and the SEBI (Prohibition of Insider Trading) Regulations, 2015, the trading window for all the special employees and directors of the Company and their immediate relatives, in the shares of the Company shall remain closed till October 24, 2020.

You are requested to take note of the above and arrange to bring to notice of all concerned.

Thanking you,

Yours faithfully,

For **HDFC Asset Management Company Limited**



Sylvia Furtado
Company Secretary

B S R & Co. LLP

Chartered Accountants

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Nesco Center, Western Express Highway,
Goregaon (East), Mumbai - 400 063, India

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Limited Review Report on Unaudited quarterly and year-to-date financial results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of HDFC Asset Management Company Limited

We have reviewed the accompanying statement of unaudited financial results of HDFC Asset Management Company Limited (the "Company") for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 (the "Statement").

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mumbai
22 October 2020

Akeel Master
Partner
Membership No: 046768
UDIN: 20046768AAABBQ5388

HDFC ASSET MANAGEMENT COMPANY LIMITED

Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2020

₹ (in Crore except per equity share data)

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	(Reviewed)					(Audited)
1. INCOME						
- Revenue from Operations	456.25	411.49	498.00	867.74	1,002.39	2,003.25
- Other Income	113.70	79.82	51.07	193.52	99.43	140.18
Total Income	569.95	491.31	549.07	1,061.26	1,101.82	2,143.43
2. EXPENSES						
- Finance Costs	2.21	2.20	2.28	4.41	4.57	8.98
- Fees and Commission Expenses	1.30	1.38	0.84	2.68	12.20	20.89
- Employee Benefit Expenses	53.45	52.61	57.83	106.06	114.51	214.71
- Depreciation, Amortisation and Impairment	14.06	13.73	12.46	27.79	24.34	50.37
- Other Expenses	35.98	41.02	48.13	77.00	88.75	195.43
Total Expenses	107.00	110.94	121.54	217.94	244.37	490.38
3. PROFIT BEFORE TAX (1-2)	462.95	380.37	427.53	843.32	857.45	1,653.05
4. TAX EXPENSES						
- Current Tax	101.65	84.96	63.51	186.61	205.08	410.52
- Deferred Tax	23.24	(6.95)	(4.22)	16.29	(7.66)	(19.88)
Total Tax Expenses	124.89	78.01	59.29	202.90	197.42	390.64
5. PROFIT AFTER TAX (3-4)	338.06	302.36	368.24	640.42	660.03	1,262.41
6. OTHER COMPREHENSIVE INCOME						
- Items that will not be reclassified to profit or loss	0.75	(0.56)	(0.35)	0.19	(5.16)	(4.11)
- Income tax on above	(0.16)	0.12	(0.34)	(0.04)	1.23	1.03
Total Other Comprehensive Income (net of tax)	0.59	(0.44)	(0.69)	0.15	(3.93)	(3.08)
7. TOTAL COMPREHENSIVE INCOME (5+6)	338.65	301.92	367.55	640.57	656.10	1,259.33
Earnings per equity share (Face value of ₹ 5 each) (Not Annualised)						
- Basic	15.88	14.20	17.32	30.09	31.05	59.37
- Diluted	15.85	14.17	17.27	30.03	30.96	59.24
Paid-up Equity Share Capital (Face value of ₹ 5)	106.45	106.42	106.30	106.45	106.30	106.40
Other Equity (excluding revaluation reserve) as at March 31						3,922.86

See accompanying notes to the Financial Results

HDFC ASSET MANAGEMENT COMPANY LIMITED

Notes:

1. Statement of Assets and Liabilities

₹ (in Crore)

Particulars	As at September 30, 2020	As at March 31, 2020
	(Reviewed)	(Audited)
ASSETS		
FINANCIAL ASSETS		
Cash and Cash Equivalents	2.18	26.64
Bank Balance other than above	0.44	0.46
Receivables		
Trade Receivables	65.87	60.59
Other Receivables	3.21	3.99
Investments	3,999.92	3,944.51
Other Financial Assets	46.24	29.95
Sub-total - Financial Assets	4,117.86	4,066.14
NON FINANCIAL ASSETS		
Current Tax Assets (net)	31.27	32.37
Deferred Tax Assets (net)	5.38	21.67
Property, Plant and Equipment	132.09	141.39
Intangible Assets Under Development	1.49	4.60
Goodwill	6.04	6.04
Other Intangible Assets	11.87	9.28
Other Non Financial Assets	25.69	27.11
Sub-total - Non Financial Assets	213.83	242.46
TOTAL ASSETS	4,331.69	4,308.60
LIABILITIES AND EQUITY		
LIABILITIES		
FINANCIAL LIABILITIES		
Payables		
Trade Payables		
Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises	51.15	46.73
Other Financial Liabilities	143.26	178.37
Sub-total - Financial Liabilities	194.41	225.10
NON FINANCIAL LIABILITIES		
Current Tax Liabilities (net)	12.11	3.94
Provisions	9.17	7.25
Other Non Financial Liabilities	35.26	43.05
Sub-total - Non Financial Liabilities	56.54	54.24
TOTAL LIABILITIES	250.95	279.34
EQUITY		
Equity Share Capital	106.45	106.40
Other Equity	3,974.29	3,922.86
Sub-total - Equity	4,080.74	4,029.26
TOTAL LIABILITIES AND EQUITY	4,331.69	4,308.60

HDFC ASSET MANAGEMENT COMPANY LIMITED

Notes:

2. Statement of Cash Flows

₹ (in Crore)

Particulars	For the Half Year Ended	
	September 30, 2020	September 30, 2019
	(Reviewed)	(Reviewed)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	843.32	857.45
Add / (Less) : Adjustments for		
Depreciation, Amortisation and Impairment	27.79	24.34
Finance Costs	4.41	4.57
(Profit) / Loss on Sale of Investments (net)	(15.70)	(4.03)
Fair Value (Gain) / Loss on Investments	(161.26)	(19.41)
Net (Gain) / Loss on foreign currency transactions and translations	0.05	-
(Profit) / Loss on Derecognition of Property, Plant and Equipment and Other Intangible Assets (net)	(0.01)	(0.02)
Investment Income from Financial Instruments	(16.03)	(61.57)
Other Interest Income	(0.57)	(0.93)
Operating Profit before working capital changes	682.00	800.40
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(5.32)	16.51
(Increase) / Decrease in Other Receivables	0.78	8.34
(Increase) / Decrease in Other Financial Assets	0.03	34.58
(Increase) / Decrease in Other Non Financial Assets	1.61	14.90
Increase / (Decrease) in Trade Payable	4.44	1.89
Increase / (Decrease) in Other Financial Liabilities	(29.93)	(28.82)
Increase / (Decrease) in Provisions	1.92	3.32
Increase / (Decrease) in Other Non Financial Liabilities	(7.60)	2.08
Cash generated from / (used in) operations	647.93	853.20
Income Tax Paid	(177.38)	(254.50)
Net cash from / (used in) operating activities (A)	470.55	598.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Other Intangible Assets	(6.30)	(13.80)
Proceeds from Sale of Property, Plant and Equipment and Other Intangible Assets	0.01	0.02
Purchase of Investments	(1,978.75)	(2,907.89)
Proceeds from Sale of Investments	2,089.87	2,657.53
Dividend Received	0.32	0.52
Interest Received / (Paid)	9.87	(9.49)
Net cash from / (used in) investing activities (B)	115.02	(273.11)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Share Capital	6.85	2.45
Share Application Money - Pending allotment	0.02	0.11
Principal Element of Lease Payments	(16.53)	(14.79)
Interest Element of Lease Payments	(4.41)	(4.57)
Final Equity Dividend Paid	(595.96)	(255.11)
Tax Paid on Final Equity Dividend	-	(52.44)
Net cash from / (used in) financing activities (C)	(610.03)	(324.35)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(24.46)	1.24
Cash and Cash Equivalents at the beginning of the period	26.64	0.90
Cash and Cash Equivalents at the end of the period	2.18	2.14
	(24.46)	1.24
Cash and cash equivalents comprising of:		
Balance with banks	2.18	2.14
Effect of exchange rate difference on balances with banks in foreign currency	(0.00)	(0.00)
Total	2.18	2.14
Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.		

Notes:

- 3 The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 4 The Company holds certain Non Convertible Debentures (NCDs) that are secured by a pledge of listed equity shares. These NCDs are classified as financial assets at fair value through profit and loss. Hence, any changes in their fair value on the reporting date is reflected as a part of 'Other Income'.
On fair valuation of the said NCDs as at September 30, 2020, the unrealized gain recognized in the results for the half year ended September 30, 2020 stands at ₹ 64.92 Crore which includes ₹ 9.12 Crore for the quarter ended June 30, 2020.
- 5 During the previous year, the Company had elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company had recognised provision for income tax and re-measured its deferred tax assets basis the rate provided in the said section and had recognised the impact of above changes upto September 30, 2019 in the result for the quarter ended September 30, 2019.
- 6 During the quarter ended September 30, 2020, the Company has allotted 60,090 equity shares of ₹ 5 each pursuant to exercise of stock options by certain employees.
- 7 The Board of Directors had proposed a final dividend of ₹ 28 per equity share for the year ended March 31, 2020 at its meeting held on May 09, 2020. The same has been approved by the shareholders at the Annual General Meeting held on July 23, 2020.
- 8 The Company is in the business of providing asset management services to HDFC Mutual Fund and portfolio management & advisory services to clients. The primary segment is identified as asset management services. As such, the Company's financial statements / results are largely reflective of the asset management business and accordingly there are no separate reportable segments as per Ind AS 108 - Operating Segment.
- 9 The Covid 19 pandemic and consequent lockdown earlier this year impacted a whole range of economic activities adversely. The phase wise opening up initiated in the quarter ended June 30, 2020 has led to a recovery in varied measures across different sectors of the economy, industries and businesses. This recovery seems to have strengthened over the quarter ended September 30, 2020 driven by incremental easing of restrictions.

It is expected that economic activity will continue to improve as the residual restrictions are eased. However, the situation will have to be closely monitored since the easing of restrictions will depend on how effectively the spread of the Pandemic is controlled.

Notes:

The Company has assessed the impact of the pandemic on its operations and its assets including the value of its investments and trade receivables as at September 30, 2020. The management does not, at this juncture, believe that the impact on the value of the Company's assets is likely to be material. However, since the revenue of the Company is ultimately dependent on the value of the Assets Under Management (AUM) it manages, changes in market conditions and the trend of flows into mutual funds may have an impact on the operations of the Company. Since the situation is still evolving and it seems likely that there will be a material impact on the economy, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company continues to closely monitor material changes in markets and future economic conditions.

Further, during the quarter ended September 30, 2020, there has been no material change in the controls or processes followed in the preparation of the financial results.

- 10 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.
- 11 Previous period figures have been regrouped / reclassified wherever necessary.
- 12 The above results for the quarter and half year ended September 30, 2020, which have been subjected to a Limited Review by the Statutory Auditors of the Company, were reviewed by the Audit Committee of Directors and subsequently approved by the Board of Directors at its meeting held on October 22, 2020, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For HDFC Asset Management Company Limited

Mumbai, October 22, 2020

Milind Barve
Managing Director
(DIN: 00087839)