



Ref/No/HDFCAMC/SE/2021-22/09

Date – April 27, 2021

National Stock Exchange of India Limited Exchange Plaza, Plot C/1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. Kind Attn: Head – Listing Department	BSE Limited Sir PJ Towers, Dalal Street, Mumbai – 400001. Kind Attn: Sr. General Manager – DCS Listing Department
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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. April 27, 2021, has, *inter-alia*, approved the audited financial results of the Company for the quarter and year ended March 31, 2021, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

A copy of said result along with Auditors’ Report on the financial results with unmodified opinion are enclosed herewith and the same are being uploaded on the website of the Company i.e. www.hdfcfund.com.

Further, the Board of Directors in the said meeting has recommended a dividend of Rs. 34/- per equity share of Rs. 5/- each of the Company, for the financial year ended March 31, 2021, subject to approval of shareholders at the ensuing Annual General Meeting. The dividend if approved by the shareholders, will be dispatched / remitted commencing from the day after the ensuing Annual General Meeting.

Annual General Meeting:

The Board approved that the 22nd Annual General Meeting of the members of the Company to be held on Friday, July 16, 2021.

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 Thursday, April 29, 2021.

The Board Meeting commenced at 1 p.m. and concluded at 3:35 p.m.

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

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

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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Independent Auditor's report on audited annual financial results of HDFC Asset Management Company Limited pursuant to the Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
HDFC Asset Management Company Limited

Report on the audit of the annual financial results

Opinion

We have audited the accompanying annual financial results of HDFC Asset Management Company Limited (hereinafter referred to as the 'Company') for the year ended 31 March 2021, attached herewith (the 'Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in applicable Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS'), and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the audit of the annual financial results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Registered Office:

Independent Auditor's report (*Continued*)

HDFC Asset Management Company Limited

Management's and Board of Director's responsibilities for the annual financial results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the annual financial results

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Independent Auditor's report (*Continued*)

HDFC Asset Management Company Limited

Auditor's responsibility for the audit of the annual financial results (*Continued*)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
27 April 2021

Akeel Master
Partner
Membership No: 046768
UDIN: 21046768AAAACA7002

HDFC ASSET MANAGEMENT COMPANY LIMITED

Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2021

₹ (in Crore except per equity share data)

PARTICULARS	Quarter Ended			Year Ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Audited) #	(Reviewed)	(Audited) #	(Audited)	(Audited)
1. INCOME					
- Revenue from Operations	502.93	481.86	476.13	1,852.53	2,003.25
- Other Income	42.64	113.05	(26.51)	349.21	140.18
Total Income	545.57	594.91	449.62	2,201.74	2,143.43
2. EXPENSES					
- Finance Costs	2.34	2.20	2.21	8.95	8.98
- Fees and Commission Expenses	1.62	1.39	1.59	5.69	20.89
- Employee Benefit Expenses (see note 6)	63.83	56.86	43.15	226.75	214.71
- Depreciation, Amortisation and Impairment	13.62	14.00	13.39	55.41	50.37
- Other Expenses	41.15	37.84	59.71	155.99	195.43
Total Expenses	122.56	112.29	120.05	452.79	490.38
3. PROFIT BEFORE TAX (1-2)	423.01	482.62	329.57	1,748.95	1,653.05
4. TAX EXPENSE					
- Current Tax	88.03	94.75	99.07	369.39	410.52
- Deferred Tax	18.90	18.61	(19.33)	53.80	(19.88)
Total Tax Expense	106.93	113.36	79.74	423.19	390.64
5. PROFIT AFTER TAX (3-4)	316.08	369.26	249.83	1,325.76	1,262.41
6. OTHER COMPREHENSIVE INCOME					
- Items that will not be reclassified to profit or loss	2.16	(3.27)	0.57	(0.92)	(4.11)
- Income tax on above	(0.42)	0.69	(0.07)	0.23	1.03
Total Other Comprehensive Income (net of tax)	1.74	(2.58)	0.50	(0.69)	(3.08)
7. TOTAL COMPREHENSIVE INCOME (5+6)	317.82	366.68	250.33	1,325.07	1,259.33
Earnings per equity share (Face value of ₹ 5 each) (Not Annualised for the quarters)					
- Basic	14.84	17.34	11.74	62.28	59.37
- Diluted	14.81	17.31	11.72	62.16	59.24
Paid-up Equity Share Capital (Face value of ₹ 5)	106.48	106.47	106.40	106.48	106.40
Other Equity (excluding revaluation reserve) as at March 31				4,669.70	3,922.86

See accompanying notes to the Financial Results

Figures for the quarter ended March 31, 2021 and March 31, 2020 are derived by deducting the published unaudited year to date figures for the period ended December 31, 2020 and period ended December 31, 2019 from the audited figures for the year ended March 31, 2021 and March 31, 2020 respectively.

HDFC ASSET MANAGEMENT COMPANY LIMITED

Notes:

1. Statement of Assets and Liabilities

₹ (in Crore)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
ASSETS		
FINANCIAL ASSETS		
Cash and Cash Equivalents	1.68	26.64
Bank Balance other than above	0.67	0.46
Receivables		
Trade Receivables	79.91	60.59
Other Receivables	3.85	3.99
Investments	4,753.25	3,944.51
Other Financial Assets	32.35	29.95
Sub-total - Financial Assets	4,871.71	4,066.14
NON FINANCIAL ASSETS		
Current Tax Assets (net)	31.29	32.37
Deferred Tax Assets (net)	-	21.67
Property, Plant and Equipment	136.86	141.39
Intangible Assets Under Development	1.18	4.60
Goodwill	6.04	6.04
Other Intangible Assets	10.32	9.28
Other Non Financial Assets	37.30	27.11
Sub-total - Non Financial Assets	222.99	242.46
TOTAL ASSETS	5,094.70	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	42.11	46.73
Other Financial Liabilities	187.90	178.37
Sub-total - Financial Liabilities	230.01	225.10
NON FINANCIAL LIABILITIES		
Current Tax Liabilities (net)	4.34	3.94
Provisions	7.88	7.25
Deferred Tax Liabilities (net)	32.13	-
Other Non Financial Liabilities	44.16	43.05
Sub-total - Non Financial Liabilities	88.51	54.24
TOTAL LIABILITIES	318.52	279.34
EQUITY		
Equity Share Capital	106.48	106.40
Other Equity	4,669.70	3,922.86
Sub-total - Equity	4,776.18	4,029.26
TOTAL LIABILITIES AND EQUITY	5,094.70	4,308.60

HDFC ASSET MANAGEMENT COMPANY LIMITED

Notes:

2. Statement of Cash Flows

₹ (in Crore)

Particulars	For the Year Ended	
	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,748.95	1,653.05
Add / (Less) : Adjustments for		
Depreciation, Amortisation and Impairment	55.41	50.37
Finance Costs	8.95	8.98
Share Based Payments to Employees	7.35	-
(Profit) / Loss on Sale of Investments (net)	(91.29)	(18.49)
Fair Value (Gain) / Loss on Investments	(217.06)	21.88
Net (Gain) / Loss on foreign currency transactions and translations	0.01	(0.02)
(Profit) / Loss on Derecognition of Property, Plant and Equipment and Other Intangible Assets (net)	(0.04)	(0.05)
Investment Income from Financial Instruments	(32.00)	(119.08)
Other Interest Income	(1.57)	(1.72)
Operating Profit before working capital changes	1,478.71	1,594.92
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(19.31)	22.08
(Increase) / Decrease in Other Receivables	0.14	16.21
(Increase) / Decrease in Other Financial Assets	0.10	32.90
(Increase) / Decrease in Other Non Financial Assets	(10.29)	18.40
Increase / (Decrease) in Trade Payable	(4.57)	(0.77)
Increase / (Decrease) in Other Financial Liabilities	7.40	(5.19)
Increase / (Decrease) in Provisions	0.63	6.24
Increase / (Decrease) in Other Non Financial Liabilities	0.19	4.58
Cash generated from / (used in) operations	1,453.00	1,689.37
Income Tax Paid	(367.68)	(404.53)
Net cash from / (used in) operating activities (A)	1,085.32	1,284.84
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Other Intangible Assets	(11.62)	(29.83)
Proceeds from Sale of Property, Plant and Equipment and Other Intangible Assets	0.04	0.06
Purchase of Investments	(3,980.90)	(6,057.29)
Proceeds from Sale of Investments	3,467.30	5,110.24
Dividend Received	0.57	4.10
Interest Received / (Paid)	41.90	45.18
Net cash from / (used in) investing activities (B)	(482.71)	(927.54)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Share Capital	10.46	15.53
Share Application Money - Pending allotment	-	(0.13)
Principal Element of Lease Payments	(33.12)	(30.43)
Interest Element of Lease Payments	(8.95)	(8.98)
Final Equity Dividend Paid	(595.96)	(255.11)
Tax Paid on Final Equity Dividend	-	(52.44)
Net cash from / (used in) financing activities (C)	(627.57)	(331.56)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(24.96)	25.74
Cash and Cash Equivalents at the beginning of the year	26.64	0.90
Cash and Cash Equivalents at the end of the year	1.68	26.64
Net Increase / (Decrease) in Cash and Cash Equivalents	(24.96)	25.74
Cash and cash equivalents comprising of:		
Balance with banks	1.68	26.64
Effect of exchange rate difference on balances with banks in foreign currency	0.00	0.00
Total	1.68	26.64
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 Standards, 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 During the quarter ended March 31, 2021, Mr. Milind Barve's term as the Managing Director came to an end on February 15, 2021 and he ceased to be a Director of the Company. Mr. Navneet Munot who was appointed as a successor to Mr. Barve, joined the Company as the Managing Director & Chief Executive Officer effective February 16, 2021.
- 5 As on April 1, 2020, the Company held certain Non Convertible Debentures (NCDs) that were secured by a pledge of listed equity shares. These NCDs have been classified as financial assets at fair value through profit and loss. Hence any realized gain on their sale/changes in fair value is reflected under other income.

During the year ended March 31, 2021, the Company had invoked and sold a majority of these pledged shares. The carrying value of the NCDs /value of residual collateral as at March 31, 2021 is ₹ 32.44 Crore.

- 6 The Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on February 22, 2021 had approved grant of 11,45,000 stock options representing 11,45,000 equity shares of ₹ 5 each, at a grant price of ₹ 2,934.25 per equity share (being the market price as defined in the applicable SEBI Regulations), to its eligible employees under Employees Stock Option Scheme - 2020 ("ESOS - 2020"). The total charge for share based payment to employees for the quarter and year ended March 31, 2021 is ₹ 7.35 Crore.

Accounting for equity settled share based payment transaction (ESOPs) at fair value increases the non cash component of Employee Benefits Expenses and is reflected in Share Options Outstanding Account under Other Equity. This balance of Share Options Outstanding Account is transferred to Securities Premium as and when the stock options are exercised by the employees and hence neutral to Equity of the Company.

- 7 During the quarter ended March 31, 2021, the Company has allotted 11,771 equity shares of ₹ 5 each pursuant to exercise of stock options by certain employees.
- 8 During the year ended March 31, 2021, the Company has paid a final dividend for the year ended March 31, 2020 of ₹ 28 per equity share (face value of ₹ 5 each) as approved by its shareholders at the Annual General Meeting held on July 23, 2020. The Board of Directors have proposed a final dividend of ₹ 34 per equity share (face value of ₹ 5 each) for the year ended March 31, 2021, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Notes:

- 9 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.
- 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. The Ministry of Labour and Employment has released draft rules for the Code, and has invited suggestions from stake holders. However, the date on which the Code will come into effect has not been notified. The Company will record any related impact in the period in which the Code becomes effective.
- 11 The COVID 19 pandemic and consequent lockdown imposed in March 2020 impacted a whole range of economic activities adversely. The phase wise opening up initiated in the quarter ended June 30, 2020 led to a recovery in varied measures across different sectors of the economy, industries and businesses.

While the situation looked quite upbeat in Jan-Feb 2021, due to the onset of the 'second wave', things have deteriorated quickly since then. An accelerated increase in the number of COVID 19 cases has necessitated imposition of restrictions which may once again inhibit economic activity and affect markets.

The extent to which the second wave of COVID 19 pandemic will impact the Company's results will depend on ongoing as well as future developments, which at this juncture are highly uncertain.

While it is expected that economic activity will improve once restrictions are eased, the situation will have to be closely monitored till the pandemic is put to rest.

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 March 31, 2021. 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 have an impact on the operations of the Company. Since the situation is still uncertain, its effect on the operations of the Company may be, to some extent, 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 March 31, 2021, there has been no material change in the controls or processes followed in the preparation of the financial results.

Notes:

- 12 Previous period figures have been regrouped / reclassified wherever necessary, in order to make them comparable.
- 13 The above results for the quarter and year ended March 31, 2021, alongwith comparative quarterly and yearly results have been reviewed by the Audit Committee of Directors and subsequently approved by the Board of Directors at its meeting held on April 27, 2021, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 14 The financial results for the year ended March 31, 2021 and March 31, 2020 have been audited by the Statutory Auditors of the Company.

For HDFC Asset Management Company Limited

Navneet Munot
Managing Director & Chief Executive Officer
(DIN: 05247228)

Mumbai, April 27, 2021