

Ref/No/HDFCAMC/SE/2019-20/79

Date – November 26, 2019

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: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015

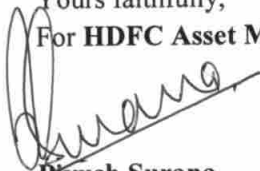
Dear Sir/Madam,

This is further to our investor presentation intimated vide our letter Ref/No/HDFCAMC/SE/2019-20/64 dated October 25, 2019 pursuant to financial results for second quarter ended September 30, 2019 and subsequently updated on November 11, 2019 vide our letter Ref/No/HDFCAMC/SE/2019-20/73. We wish to inform you that we have updated the existing presentation by inserting additional slide no. 27 providing an update on HDFC Asset Management Company Ltd.'s exposure to Non-Convertible Debentures issued by Essel Group. Accordingly, please find enclosed herewith the said investor presentation for your information and the same is placed on the website of the Company.

Kindly take the same on your records.

Thanking You,

Yours faithfully,
For **HDFC Asset Management Company Limited**



Piyush Surana
Chief Financial Officer

Encl: a/a



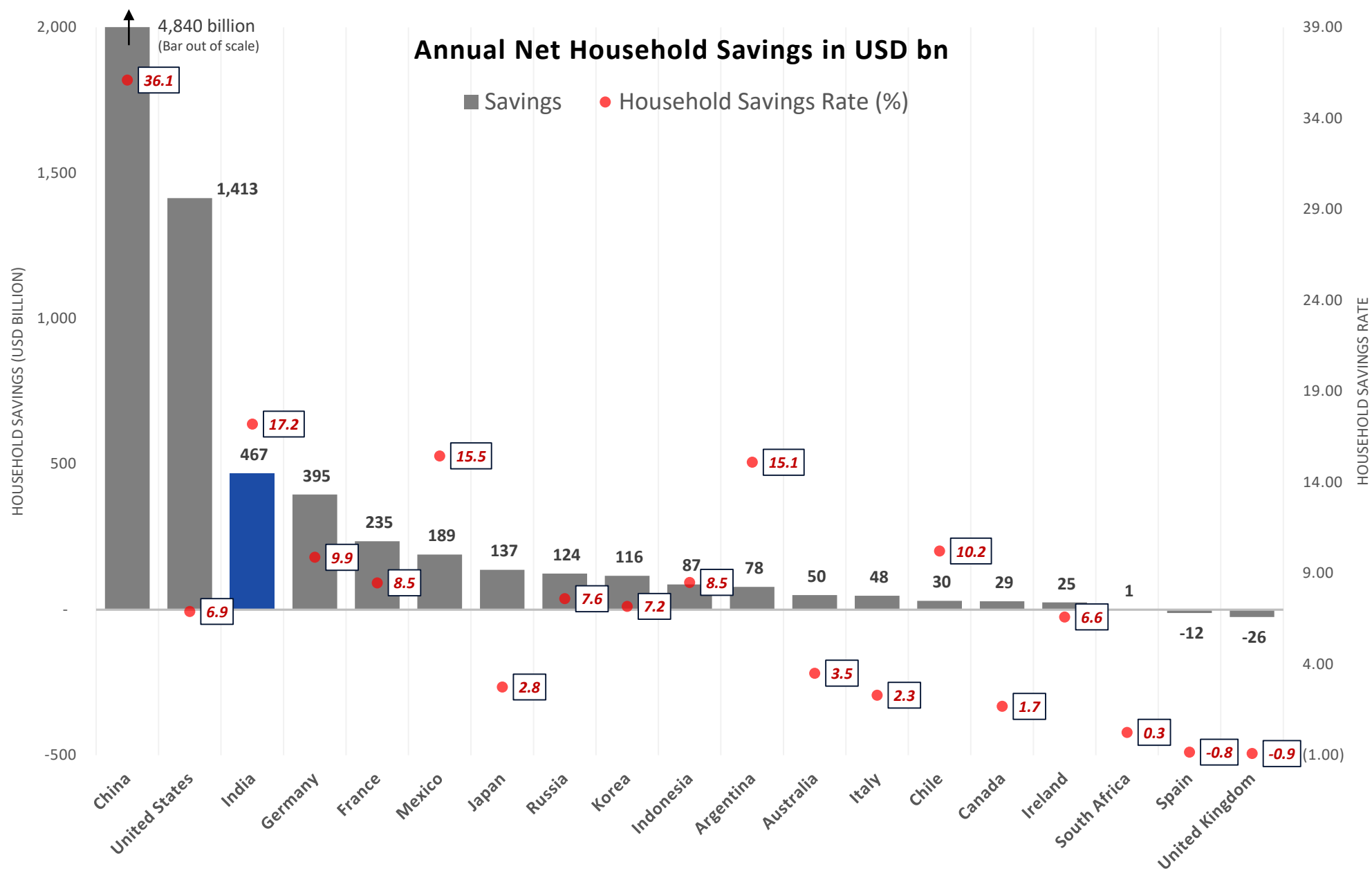
HDFC Asset Management Company Limited

Update
26 November 2019

Background and Opportunity



India – the third largest in household savings globally

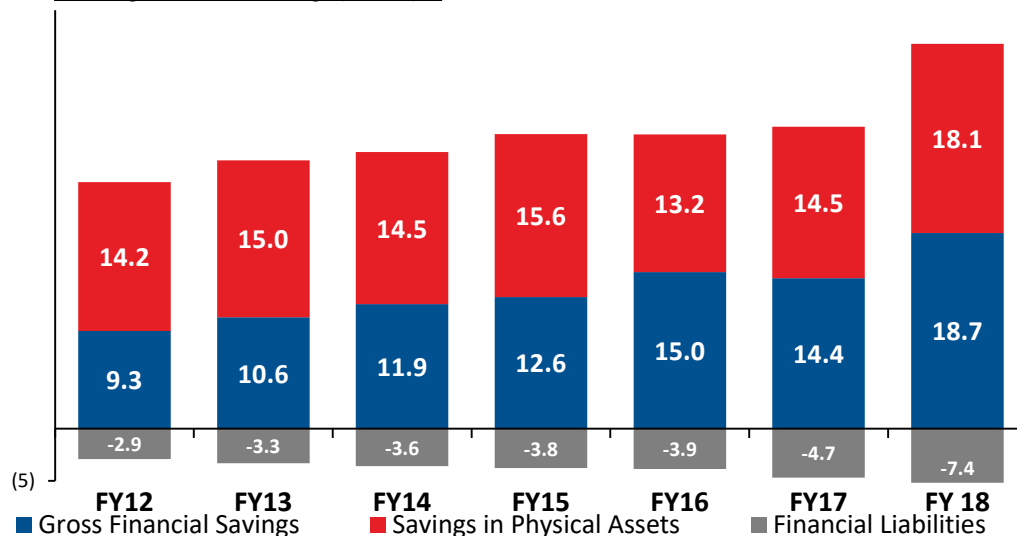


Source: OECD, FRED, RBI, IMF

Indian Household Savings pattern

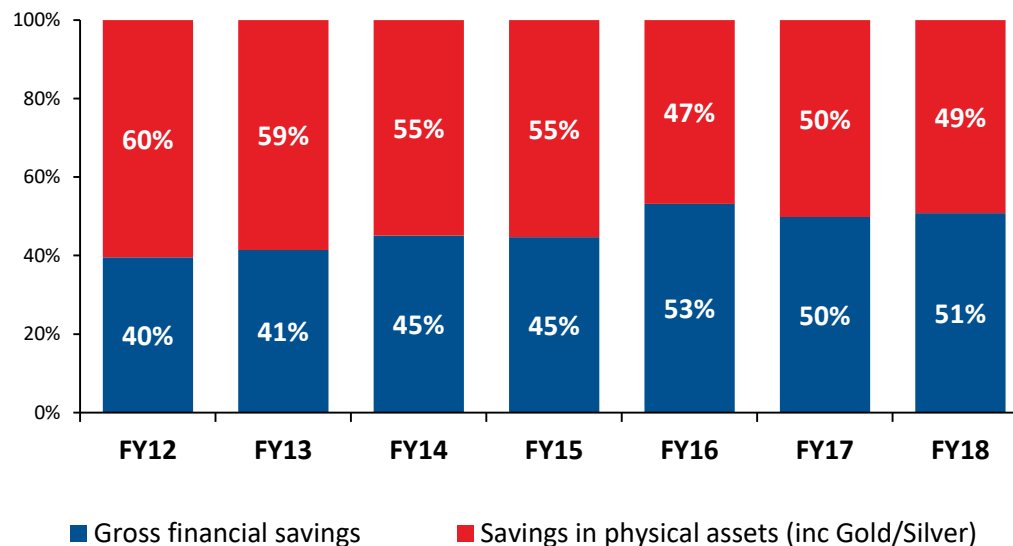
High Savings Culture...

Growing Household Savings (INR Tn) ⁽¹⁾



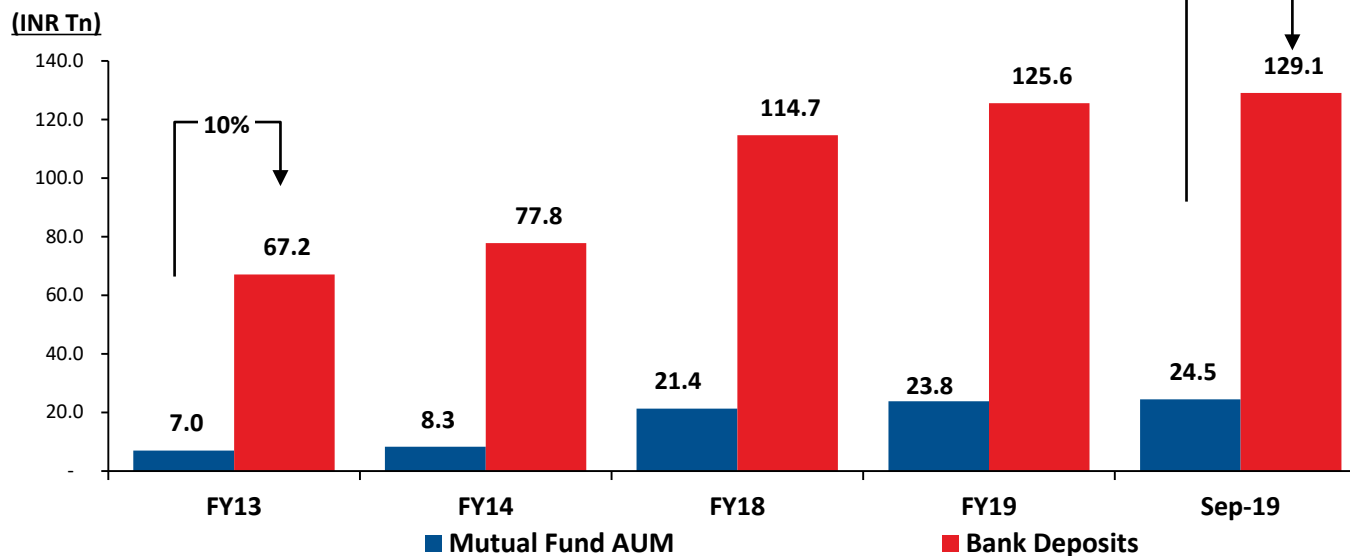
..Shift to Financial Assets..

% of Gross Household Savings ⁽¹⁾



...With Increasing Preference for Mutual Funds

Mutual Fund AUM Reducing the Gap with Bank deposits ⁽²⁾

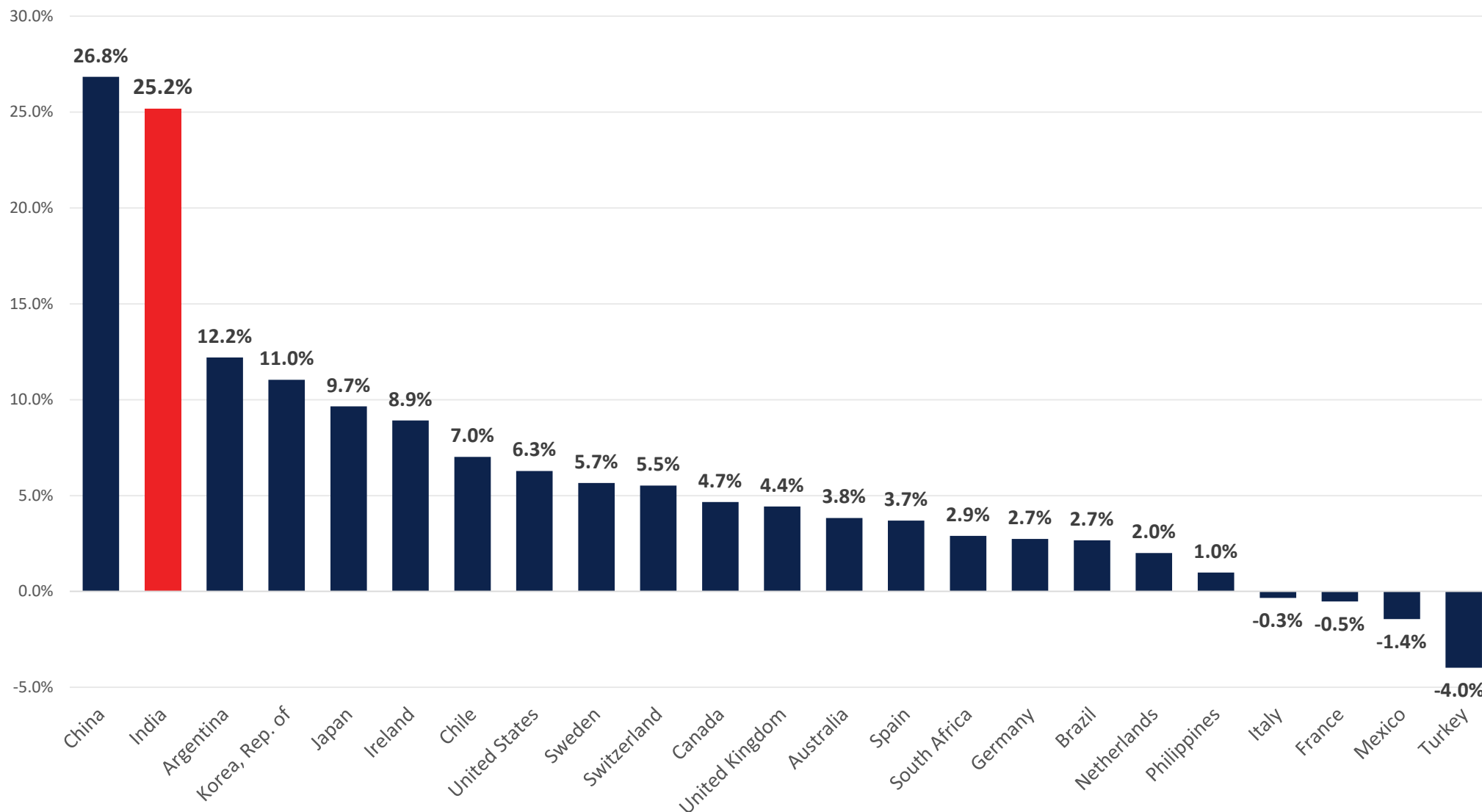


Mar-13 to Sep-19 CAGR:
Mutual Fund AUM: 21%
Bank Deposits: 11%

(1) Source: RBI, CRISIL Research; (2) Source: AMFI, RBI, CRISIL Research. Sep-2019 Deposits as per RBI provisional numbers

Mutual Fund AUM Growth – India v World

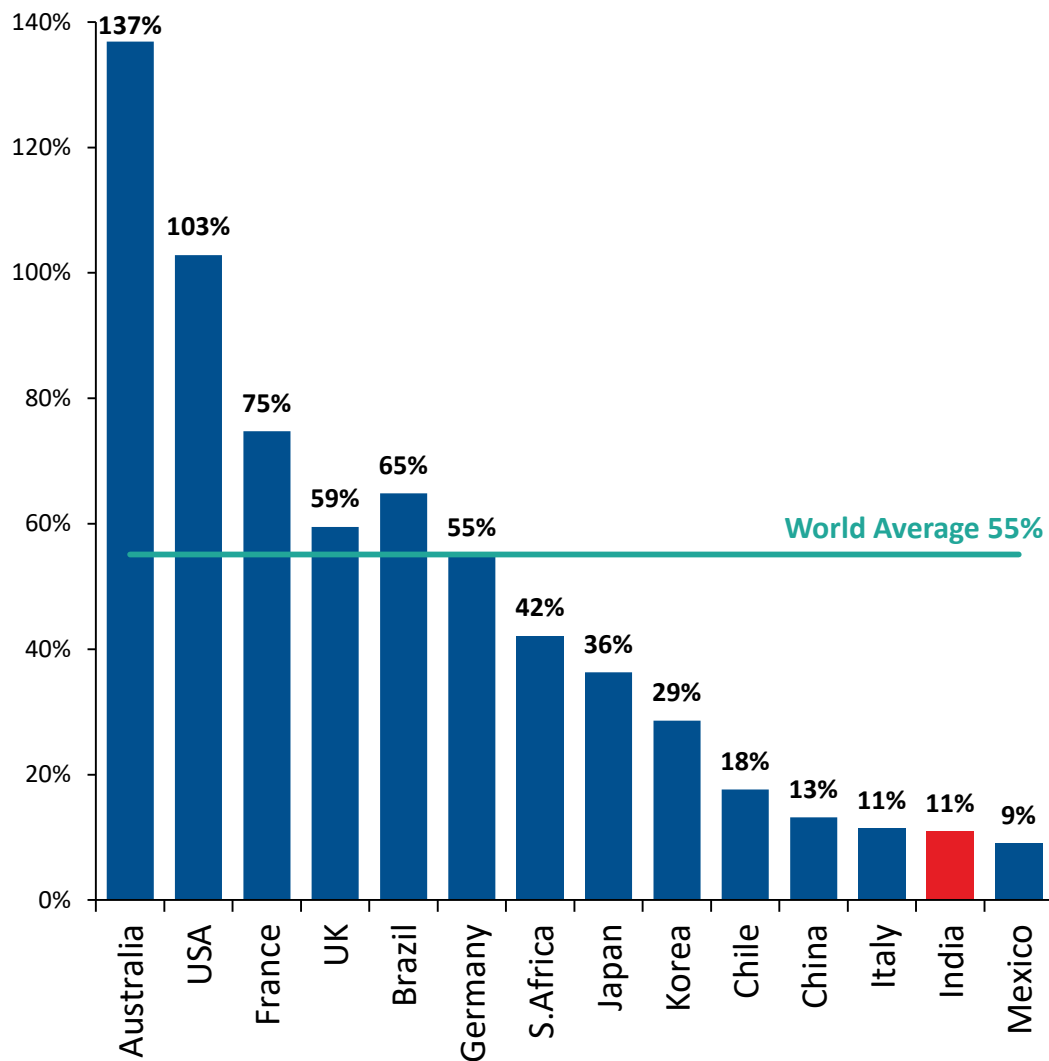
5 year CAGR growth in MF AUM



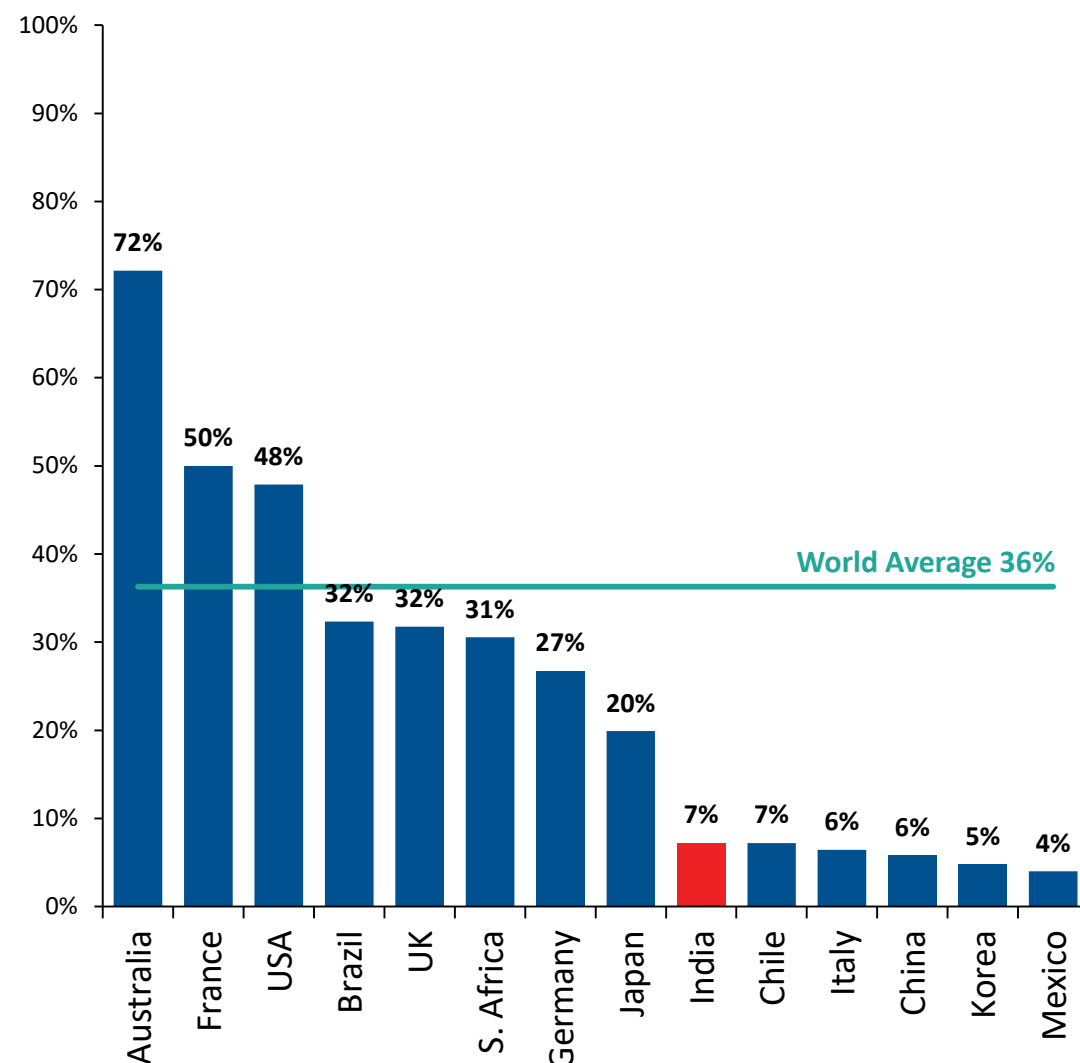
Source: IIFA (as of 31 March 2019)

AUM as % of GDP, Market Cap

AUM as % of GDP



Equity AUM as % of Market Cap



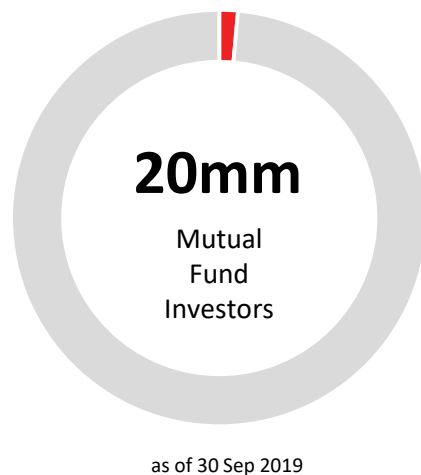
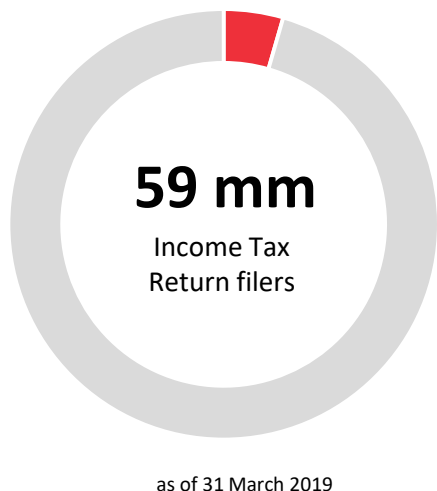
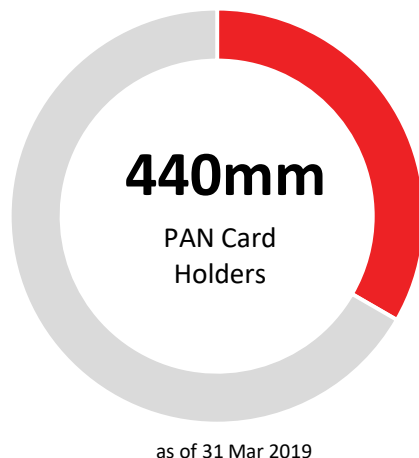
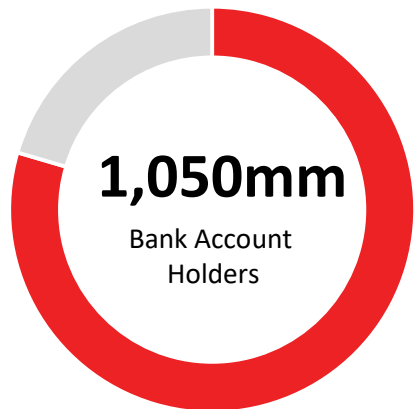
Source: IMF (GDP, CY 2018), IIFA (MF AUM, CY 2018:Q4); Bloomberg (Market-Cap CY 2018:Q4). Balanced/mixed funds are assumed to be composed of 70% equity. Only open-ended funds have been considered.

Global vs Indian AUM, Market Cap, GDP

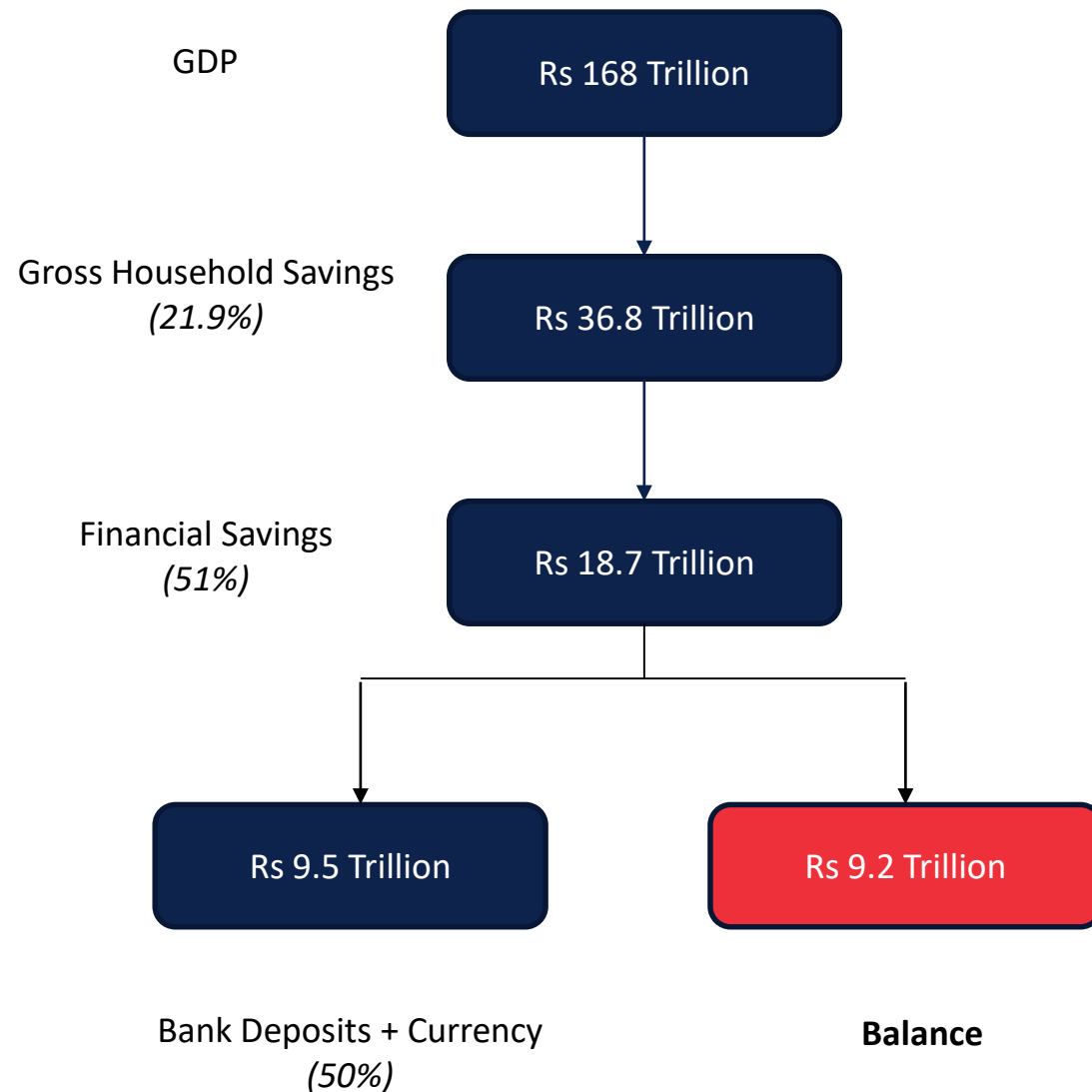
USD Trillion	India	World	India Share (%)
Mutual Fund Assets	0.37	50.4	0.73%
Equity-oriented	0.13	25.2	0.53%
Market Cap	2.08	69.4	3.00%
Equity AUM as % of MCap	6.4%	36.3%	
GDP	2.72	84.74	3.21%
AUM as % of GDP	13.5%	55.1%	

- India's share of global GDP and Market Cap is in excess of 3%, however its share in Mutual Fund Assets is 0.73%
- India's equity-oriented AUM as a % of Market Cap is 6.4% as against the global average of 36.3%
- India's AUM as a % of GDP is 13.5% as against a global average of 55.1%

India Population: 1,320 mm



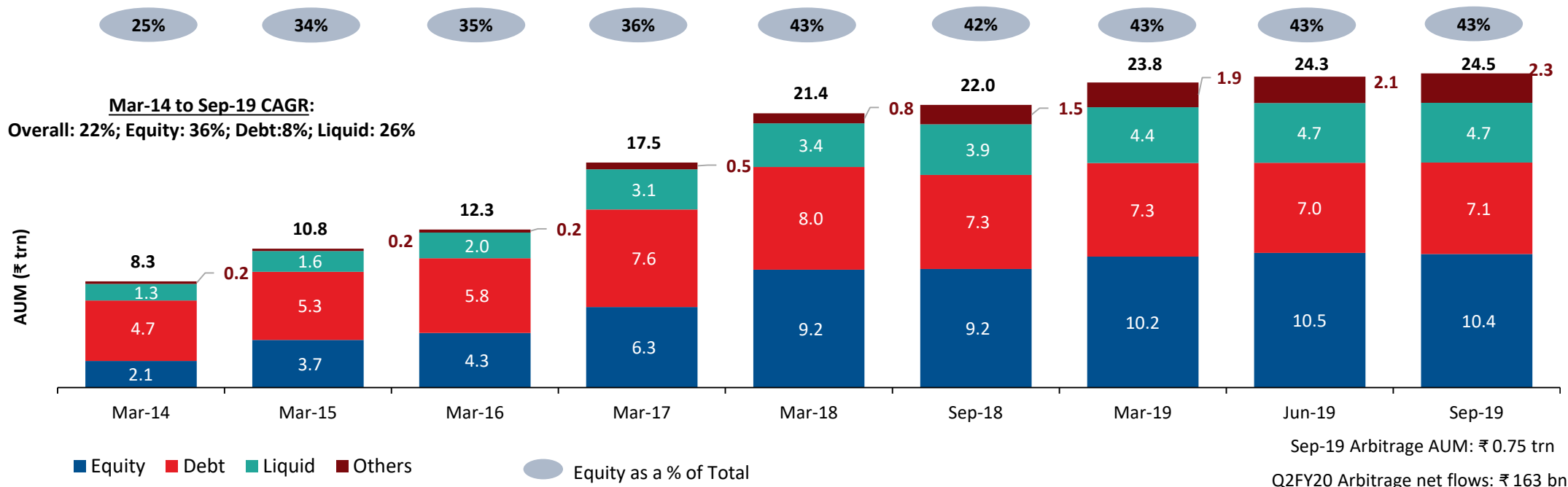
The opportunity size



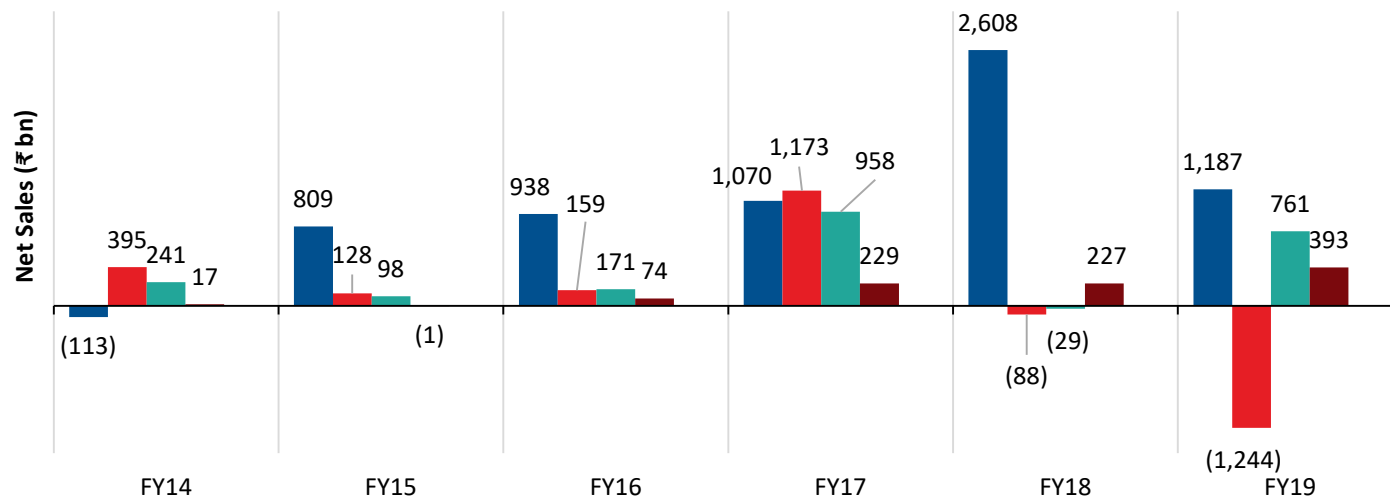
Mutual Fund Industry and HDFC AMC



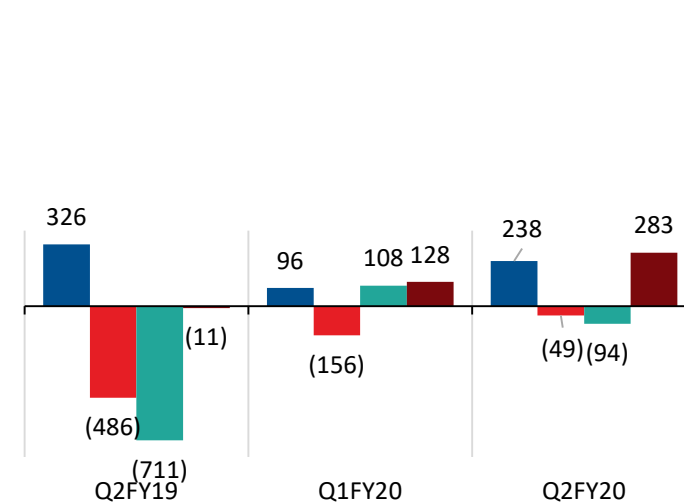
Industry - AUM and Net Sales



Yearly net sales



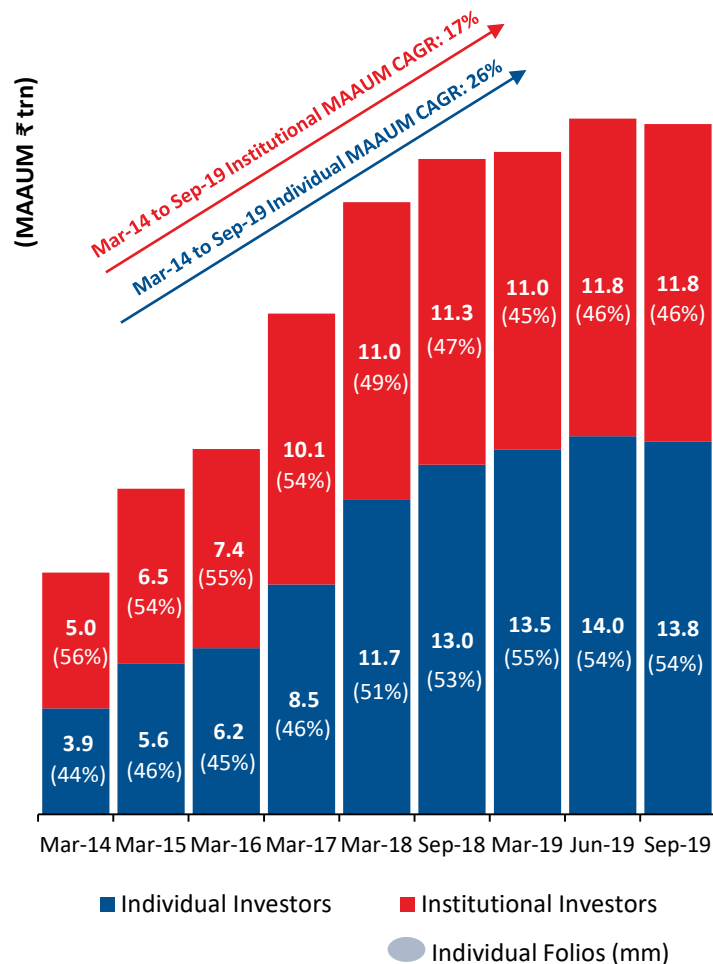
Quarterly net sales



Individual / Institutional MAAUM, SIP Flows, B-15/B30

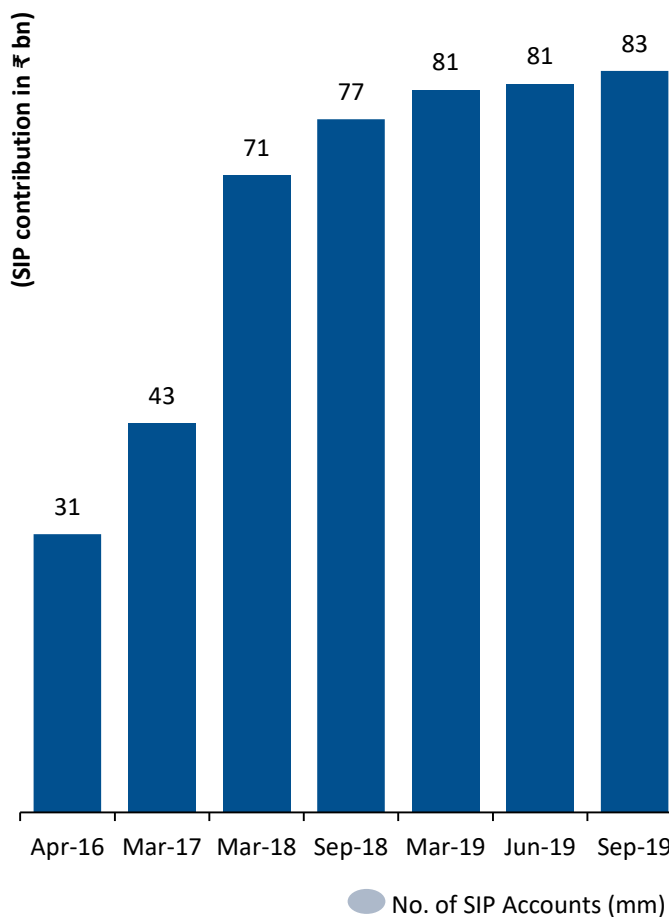
MAAUM of Individual Investors⁽¹⁾⁽²⁾⁽³⁾

39.2 41.4 47.2 54.8 70.9 77.5 82.1 83.4 85.2



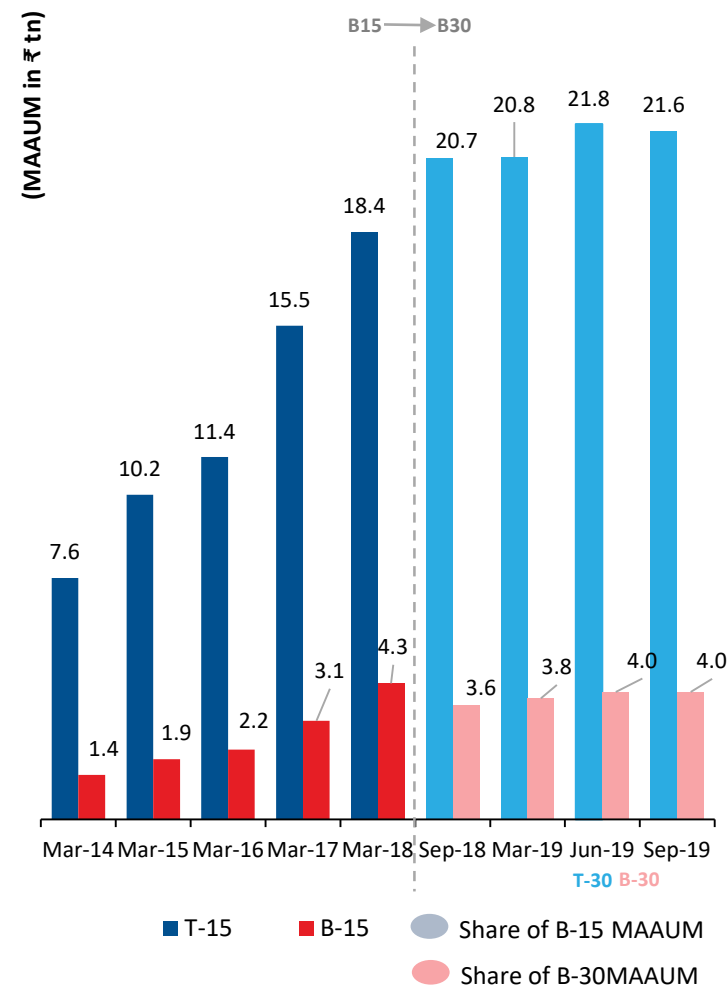
SIP Flows⁽¹⁾

10.1 13.5 21.1 24.4 26.2 27.4 28.4

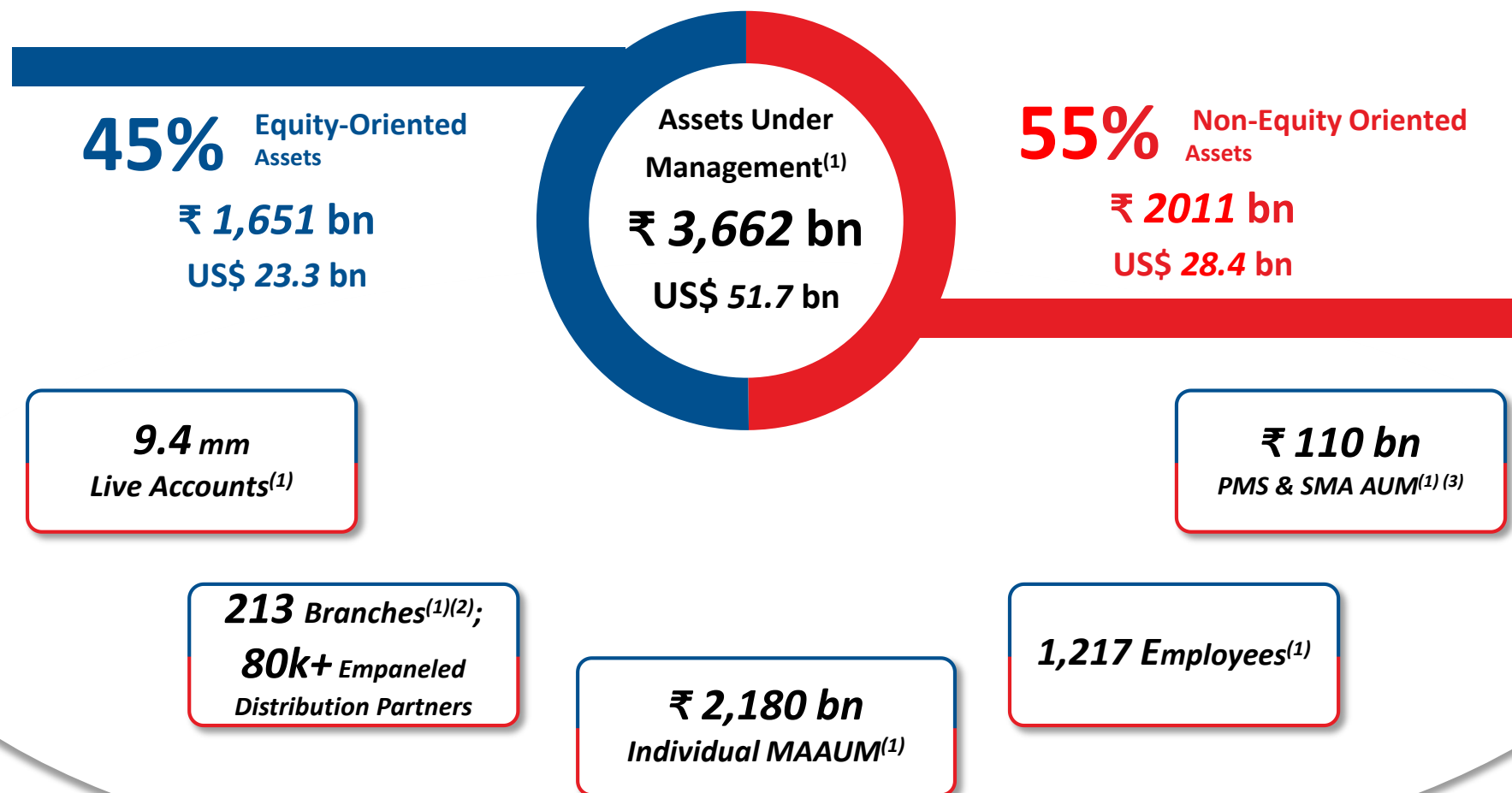


MAAUM of B-15/B-30⁽¹⁾⁽²⁾

16% 16% 16% 17% 19% 15% 15% 15% 16%



○ HDFC AMC at a glance



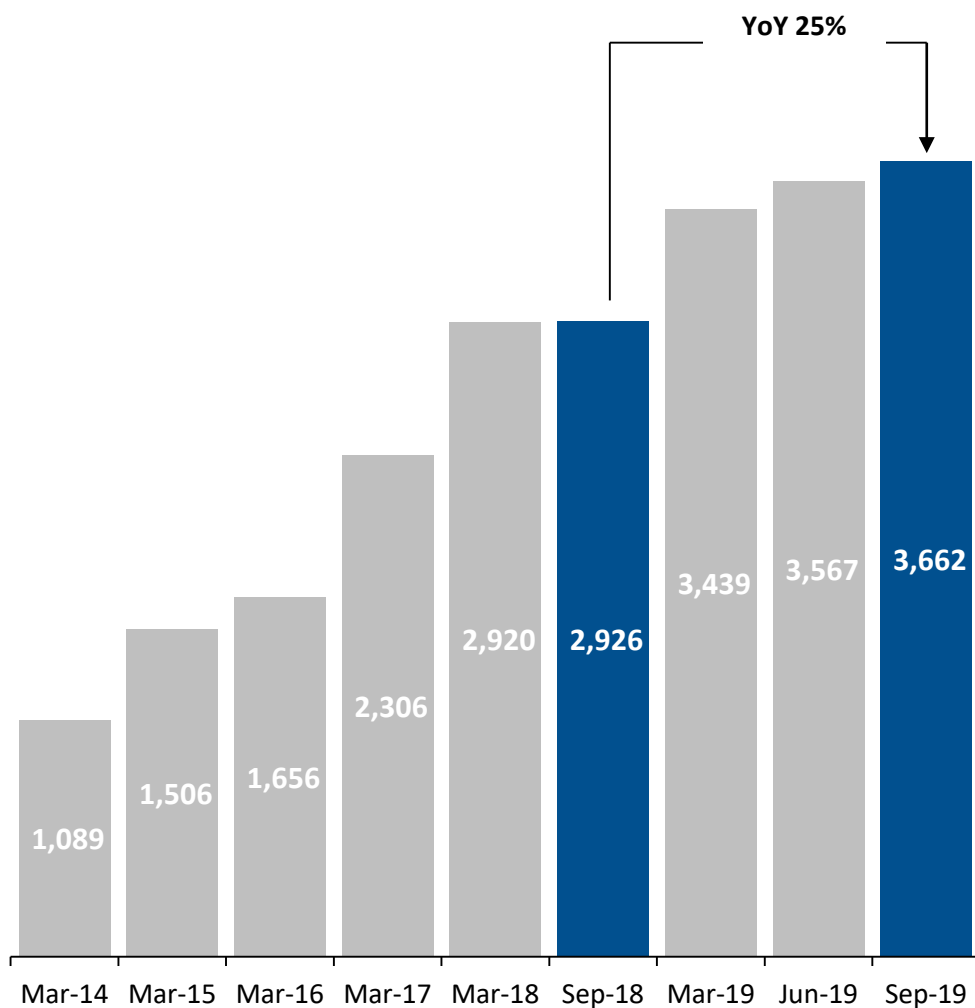
(1) As of Sep 30, 2019 / for Sep 2019; (2) Includes one representative office in Dubai; (3) Includes advisory mandates

(2) Source: Internal. USD/INR conversion rate: ₹ 70.8688

○ Total AUM and Market Share

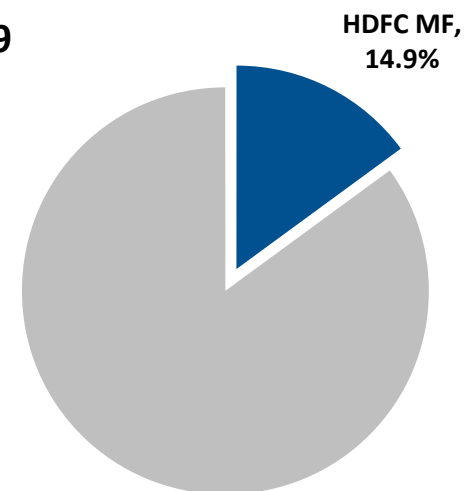
Total AUM⁽¹⁾

₹ billion

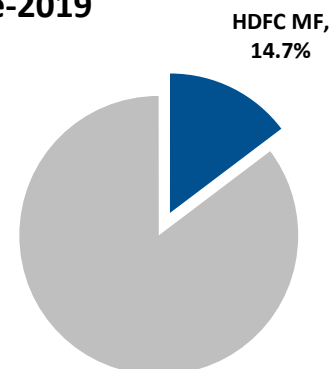


Market Share in Total AUM⁽²⁾

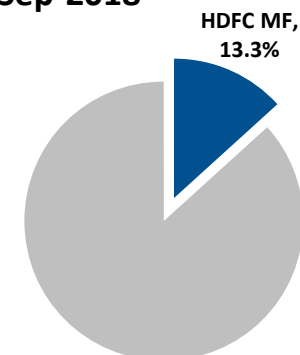
Sep-2019



June-2019



Sep-2018

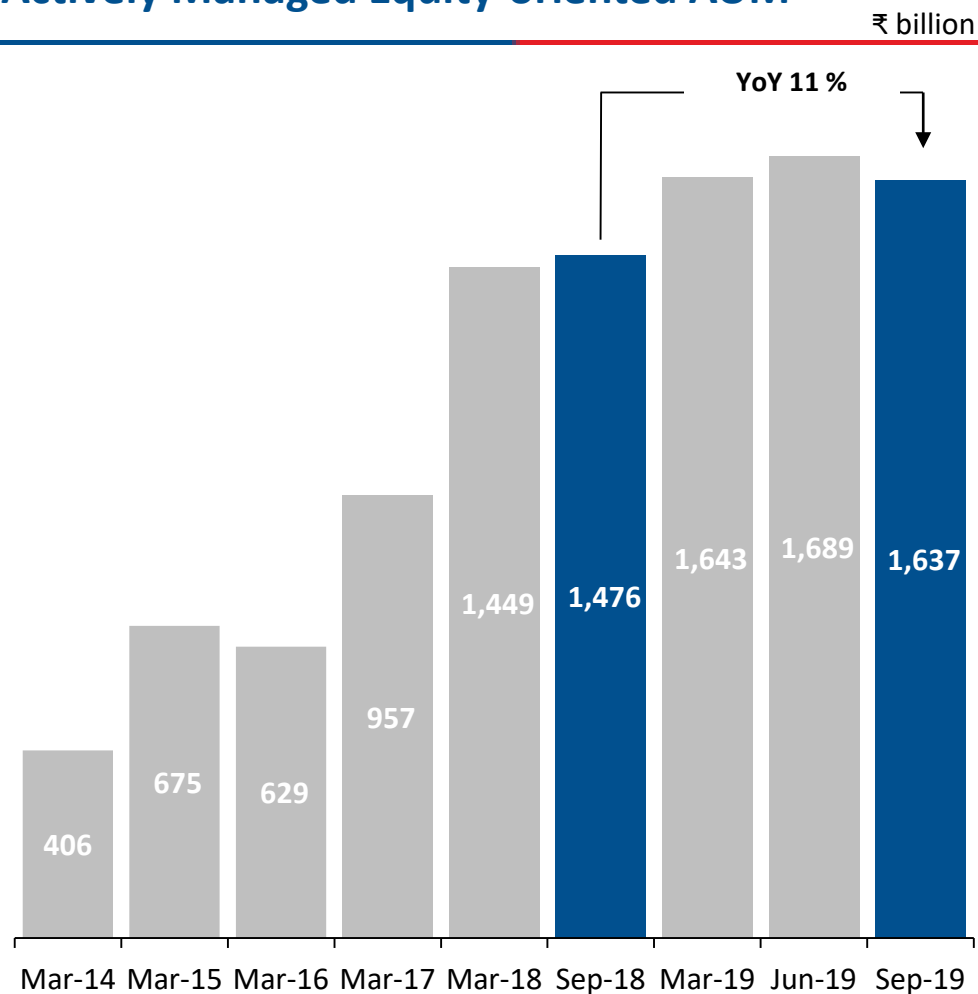


(1) Source: Internal

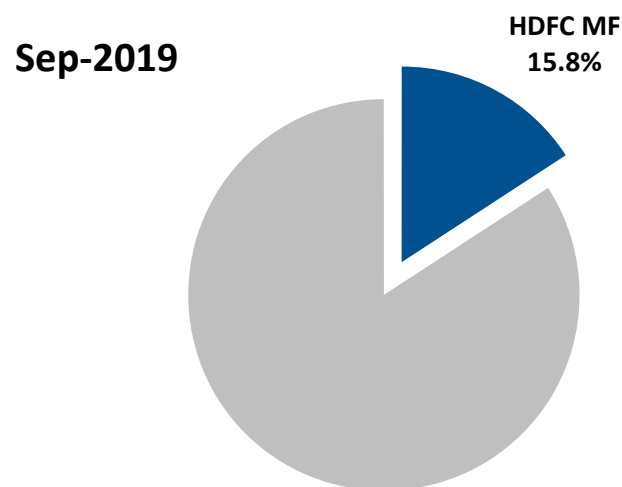
(2) Source: Internal, AMFI

Actively Managed Equity-oriented AUM and Market Share

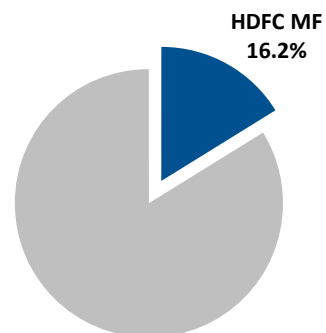
Actively Managed Equity-oriented AUM⁽¹⁾



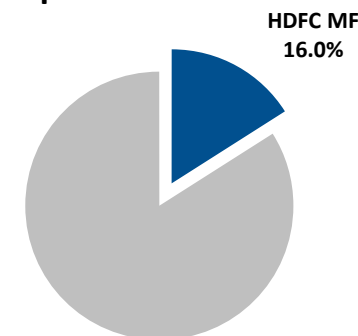
#1 Market Share in Actively Managed Equity-oriented AUM⁽²⁾



June-2019



Sep-2018



(1) Source: Internal

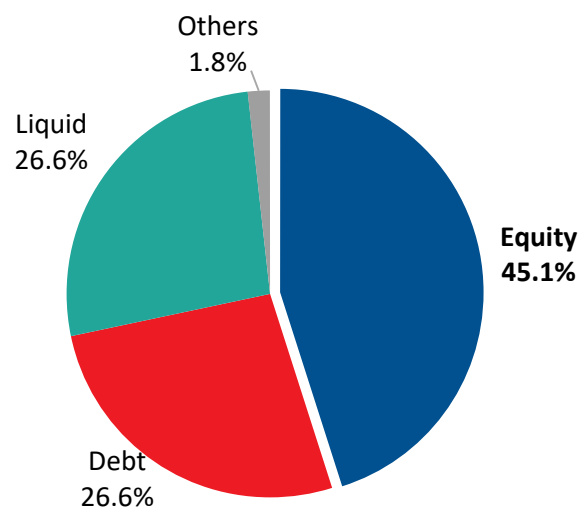
(2) Source: AMFI, Internal

Actively managed equity-oriented AUM excludes index and arbitrage funds from equity-oriented funds

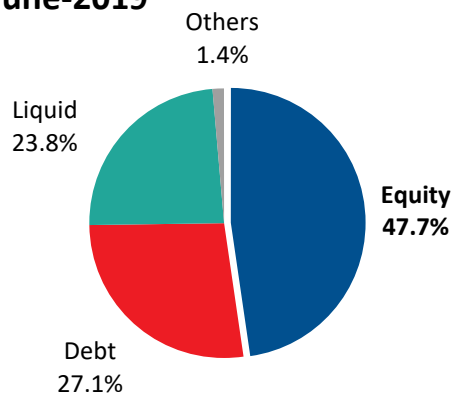
○ AUM by Segment – HDFC AMC and Industry

HDFC AMC MF AUM by Segment ⁽¹⁾⁽³⁾

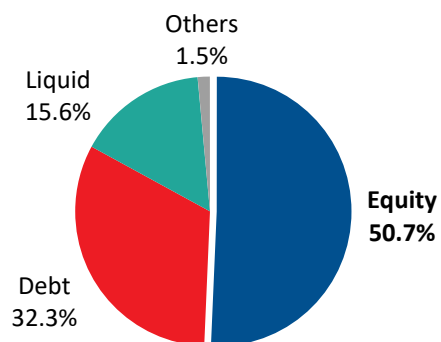
Sep-2019



June-2019

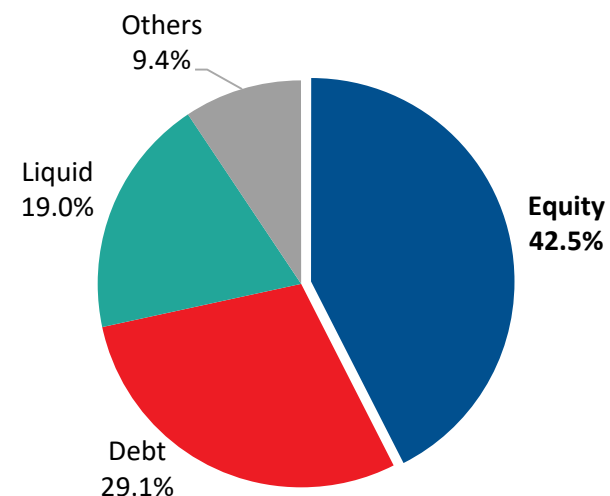


Sep-2018

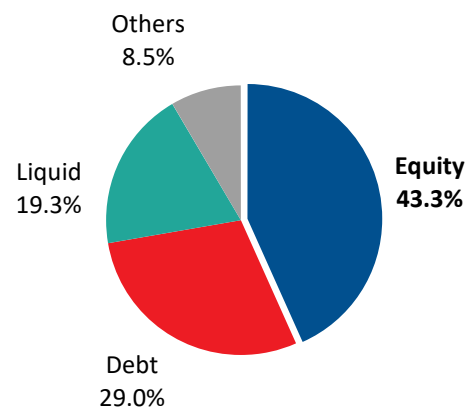


Industry AUM by Segment ⁽²⁾⁽³⁾

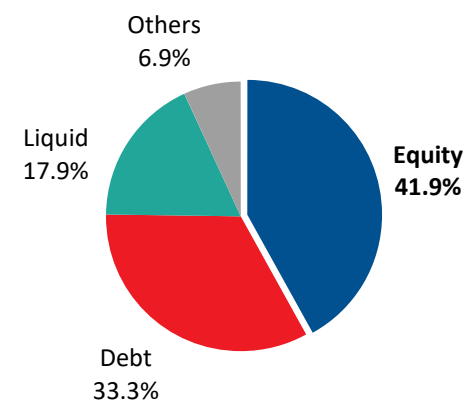
Sep-2019



June-2019



Sep-2018



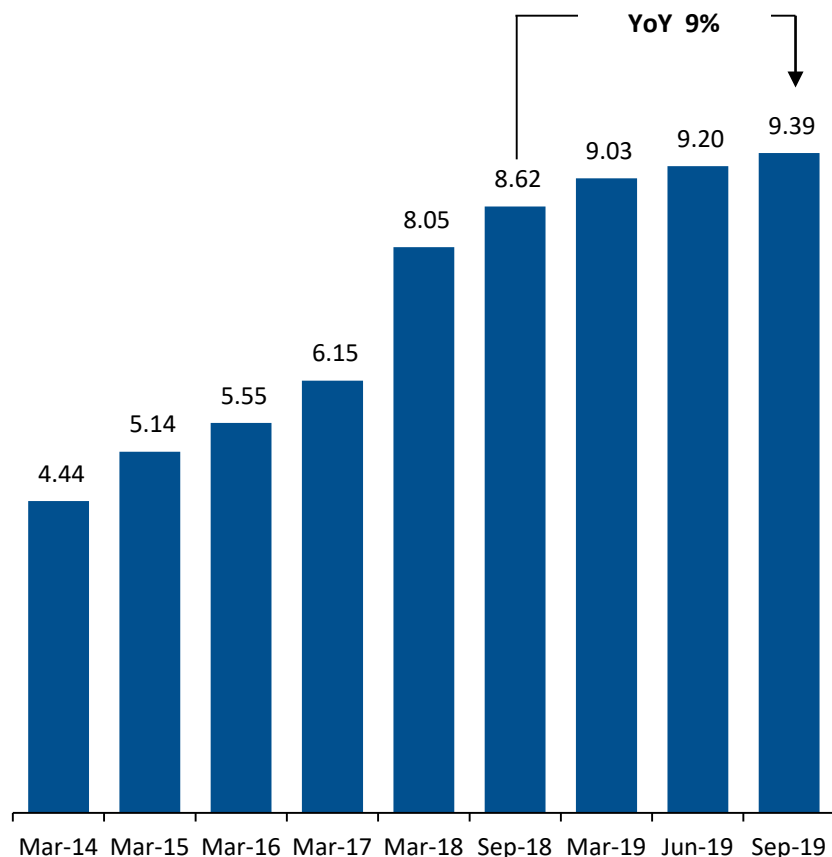
(1) Source: Internal

(2) Source: AMFI

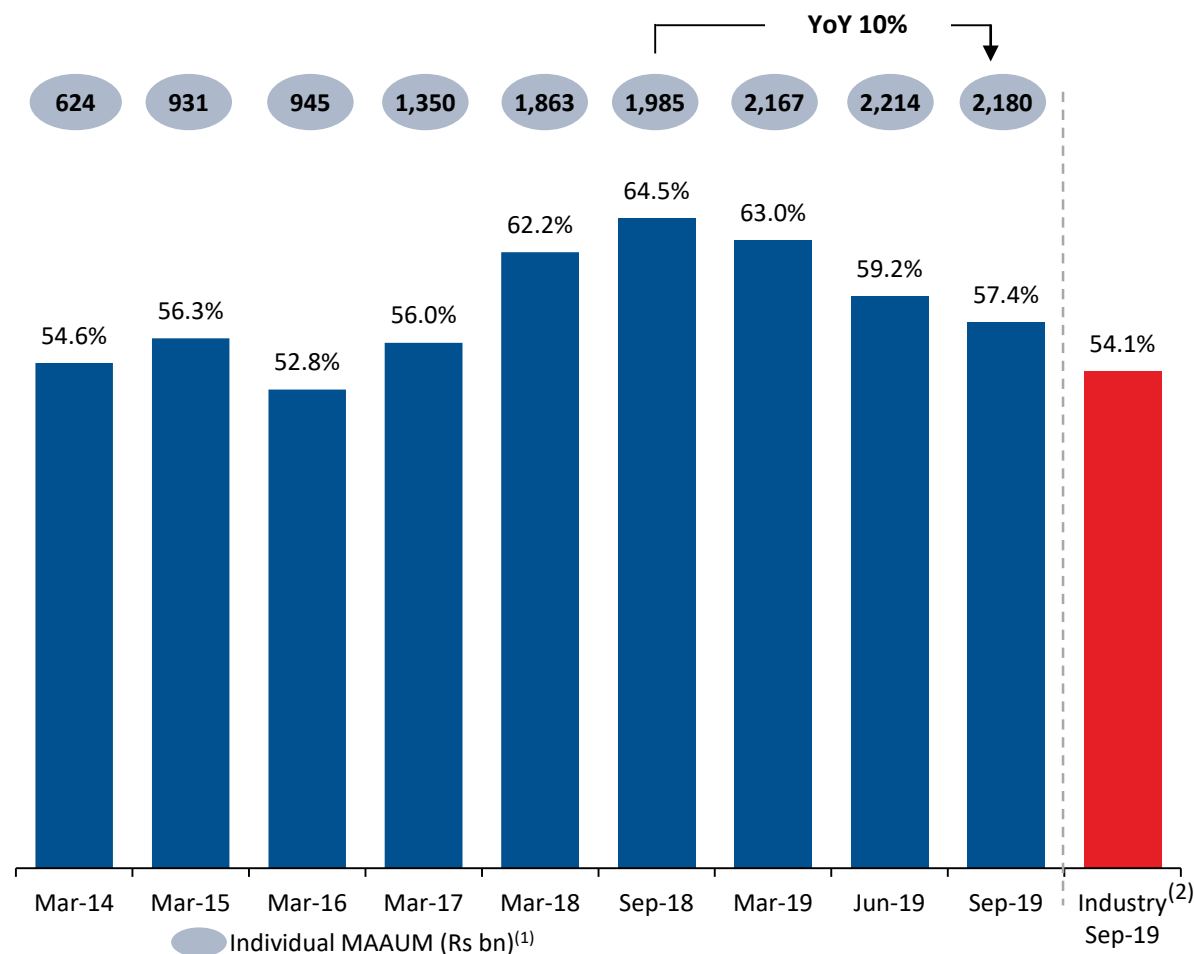
(3) From April 2018, Arbitrage is included in other category

Individual Investors – no of Accounts & MAAUM

Number of Live Individual Accounts (in millions) ⁽¹⁾



Individual MAAUM % of Total ⁽¹⁾



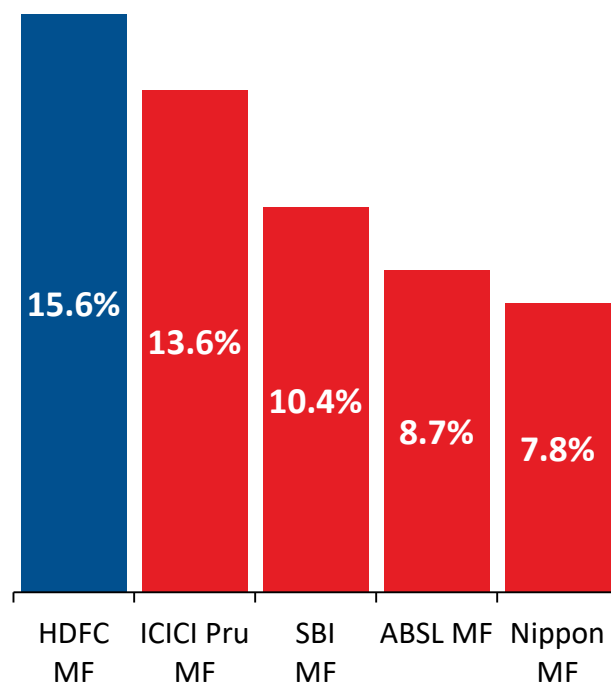
Individual customer prefer equity-oriented schemes and stay invested for longer periods

⁽¹⁾ Source: Internal

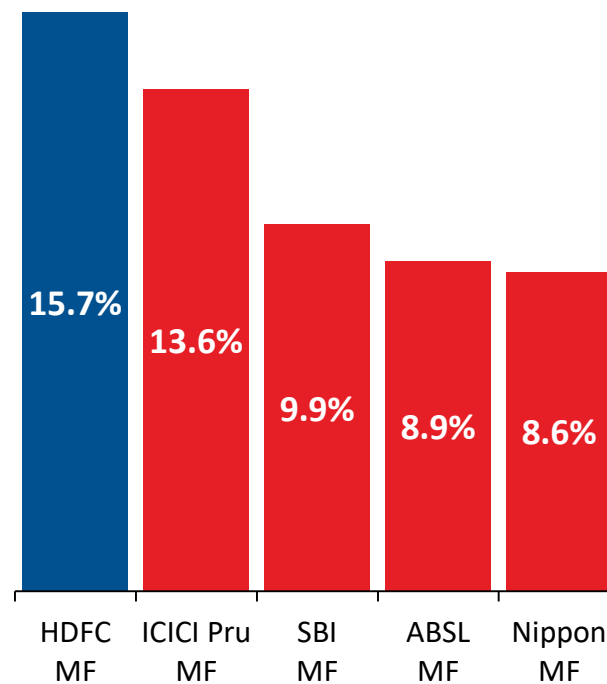
⁽²⁾ Source: AMFI

Most Preferred Choice of Individual Investors

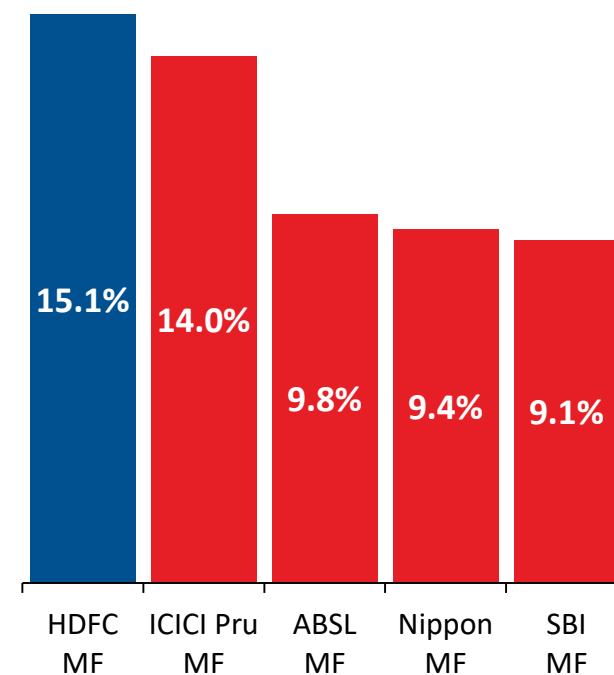
Individual Assets Market Share (Sep-19)



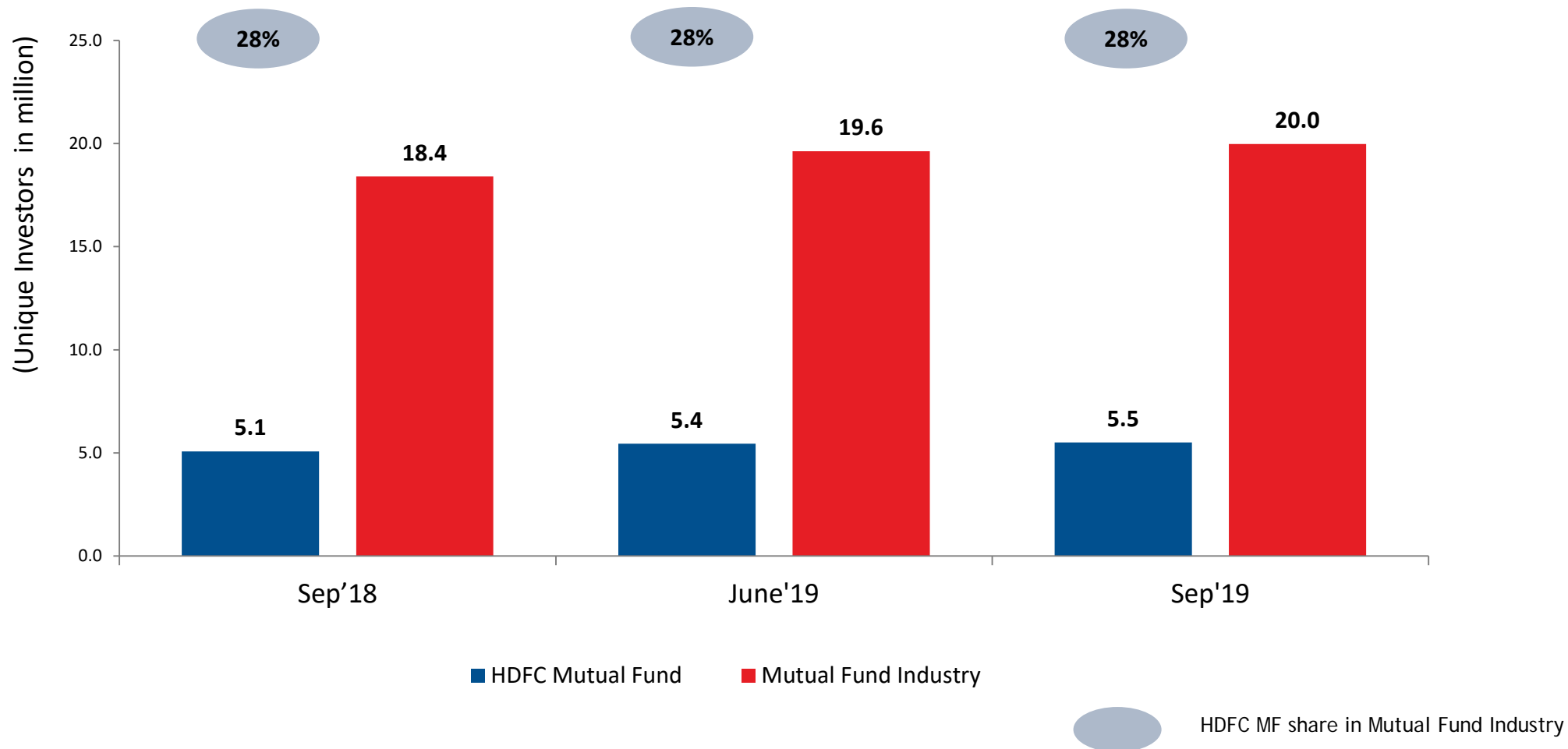
Individual Assets Market Share (June-19)



Individual Assets Market Share (Sep-18)

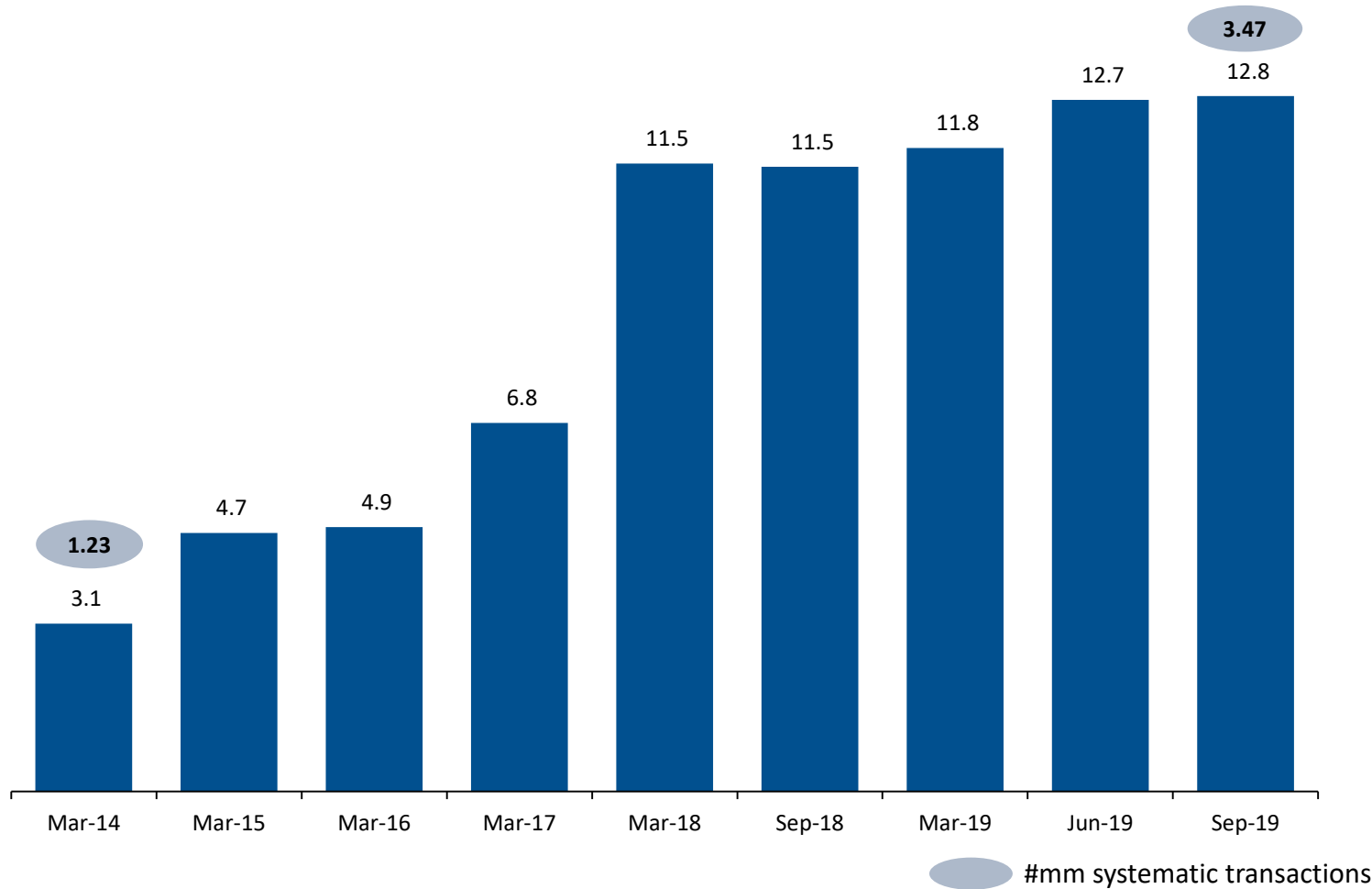


Unique Investors- HDFC AMC vs MF Industry

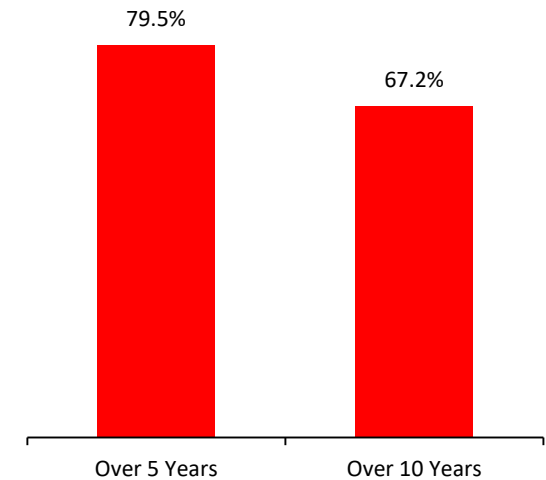


Quality Long-term Inflows Through Systematic Transactions

Strong Growth in Systematic Transactions (₹ bn)



Long Tenure SIP Book⁽¹⁾



Strong and growing
“Order Book” to provide
predictable flows

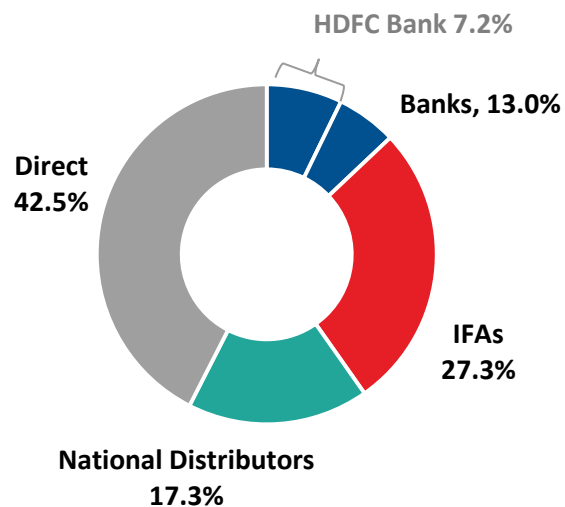
Source: Internal

(1) Based on tenure at the time of registration of all live SIPs during Sep-19

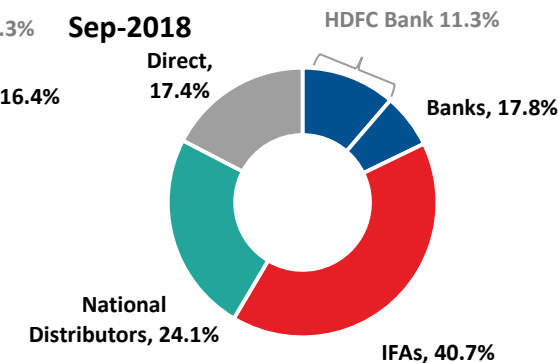
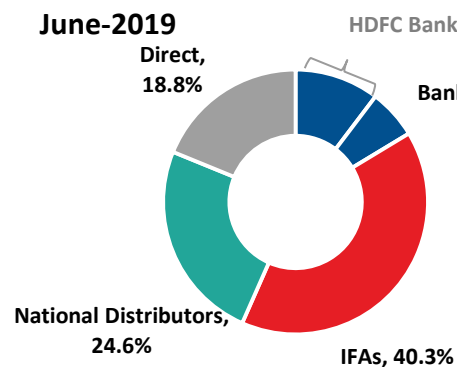
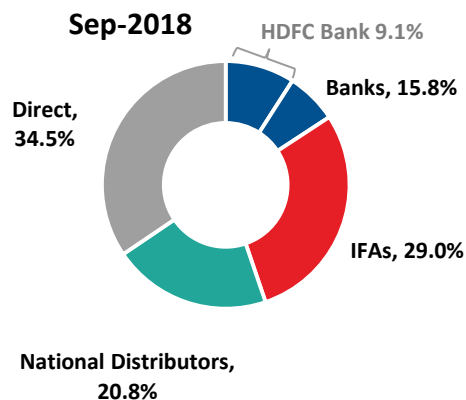
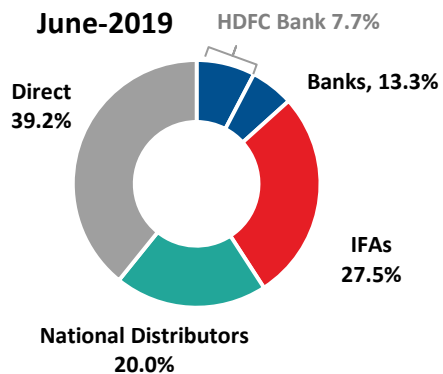
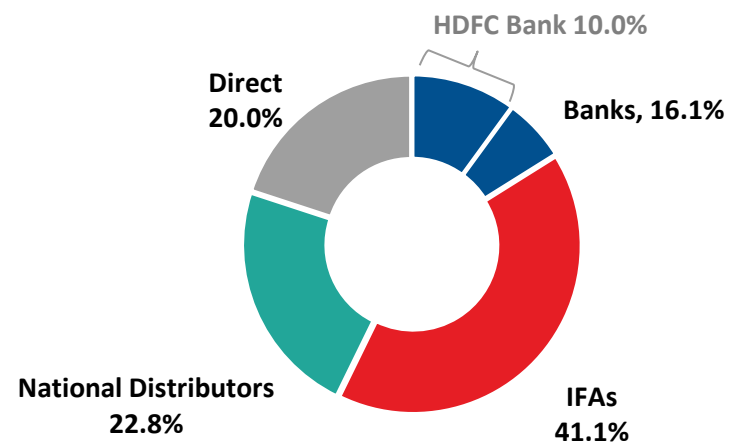
Multi-channel Distribution Network

Well Diversified Distribution Channel

Total AUM (Sep-19)

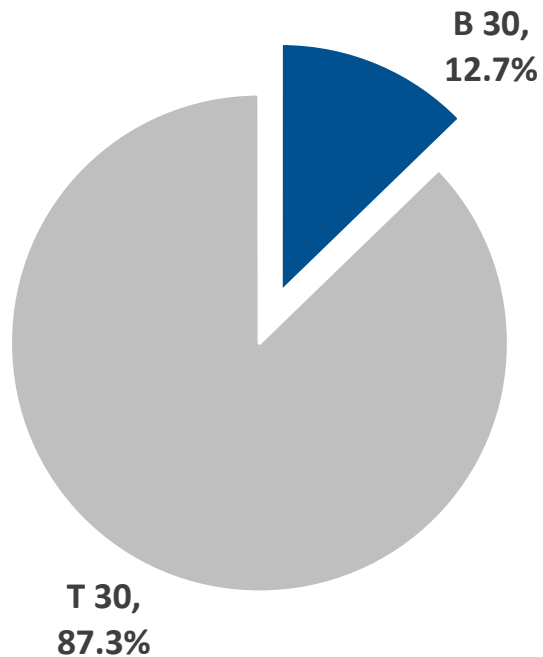


Equity-oriented AUM (Sep-19)

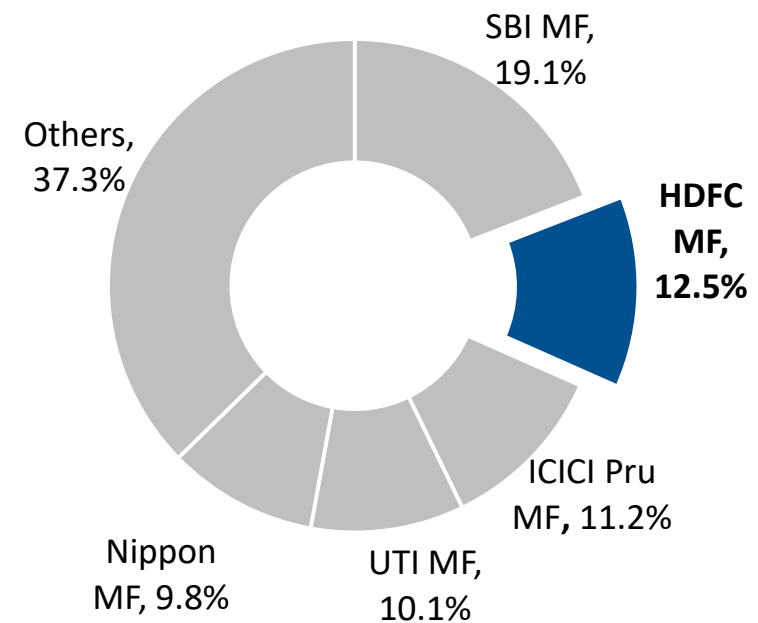


Geographic Spread

Total MAAUM by T30 and B30 cities⁽¹⁾



#2 Player in B-30 Markets⁽¹⁾



Network of 213 branches with 137 in B-30 cities⁽²⁾

c. 80k+ empaneled distribution partners

(1) Source: Internal

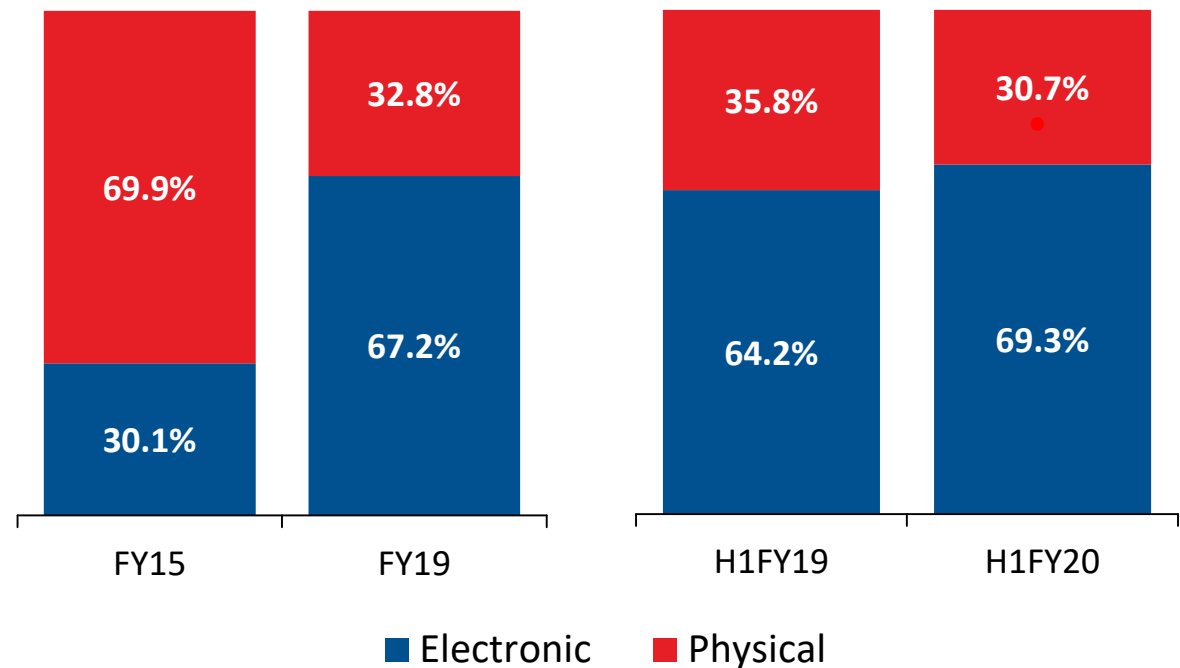
(2) As of Sep 30, 2019. Includes one representative office in Dubai;

Strong Digital Presence


Supported by Integrated Online Platform




Electronic and Physical Transaction as % of Total Transactions



 Strong online presence - dedicated separate digital platforms distribution partners and customers

 FY15-19 CAGR of 42% for electronic transactions

 17.2% transaction during FY19 were through HDFC MF Online and mobile application

Financials

Financials Summary – Half Yearly Earnings

(₹ mm)

Particulars	HYE FY20	HYE FY19	Change
Income			
Revenue from Operations	10,024	9,516	5%
Other Income	994	648	53%
Total Income	11,018	10,164	8%
Expenses			
Finance Costs	46	-	-
Fees and Commission Expenses	122	1,574	-92%
Impairment on Financial Instruments	-	212	-
Employee Benefit Expenses	1,145	1,081	6%
Depreciation and Amortization Expenses	243	57	326%
Other Expenses	888	1,321	-33%
Total Expenses	2,444	4,245	-42%
Profit before tax	8,574	5,919	45%
Tax Expenses	1,974	1,807	9%
Profit after tax	6,600	4,112	61%
Other Comprehensive Income (net of tax)	(40)	2	
Total Comprehensive Income	6,560	4,114	59%

Particulars	HYE FY20	HYE FY19	Change
Revenue from Operations	10,024	9,516	5%
Total Expenses*	2,444	4,033	-39%
Operating Profit from core AM business	7,580	5,483	38%

*Adjusted for non recurring expenses

Financials Summary – Quarterly Earnings

(₹ mm)			
Particulars	Q2 FY20	Q2 FY19	Change
Income			
Revenue from Operations	4,980	4,804	4%
Other Income	510	349	46%
Total Income	5,490	5,153	7%
Expenses			
Finance Costs	23	-	-
Fees and Commission Expenses	8	735	-99%
Impairment on Financial Instruments	-	212	-
Employee Benefit Expenses	578	544	6%
Depreciation and Amortization Expenses	124	31	300%
Other Expenses	482	659	-27%
Total Expenses	1,215	2,181	-44%
Profit before tax	4,275	2,972	44%
Tax Expenses	592	913	-35%
Profit after tax	3,683	2,059	79%
Other Comprehensive Income (net of tax)	(8)	3	
Total Comprehensive Income	3,675	2,062	78%

Particulars	Q2 FY20	Q2 FY19	Change
Revenue from Operations	4,980	4,804	4%
Total Expenses*	1,215	1,969	-38%
Operating Profit from core AM business	3,765	2,835	33%

*Adjusted for non recurring expenses

1. The Company has 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 has recognised provision for income tax for the half year ended September 30, 2019 and re-measured its deferred tax assets basis the rate provided in the said section. The full impact of above mentioned change, amounting to approximately ₹667 mm. has been recognised in the result for the half year ended September 30, 2019, out of which, approximately ₹343 mm. pertains to quarter ended June 30, 2019.
2. As at September 30, 2019, the Company holds certain Non Convertible Debentures (NCDs) that are secured by a pledge of listed equity shares. Since these NCDs are classified as financial assets at fair value through profit and loss, any changes in their fair value is reflected as a part of 'Other Income'. The unrealized loss recognized in the results for the half year ended September 30, 2019 on the said NCDs, is ₹249.7 mm.
3. Effective April 01, 2019, the Company has adopted 'Ind AS 116 - Leases' and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the cumulative adjustment has been taken to retained earnings on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures. The effect of this adoption is not material to the profit for the period and earnings per share.

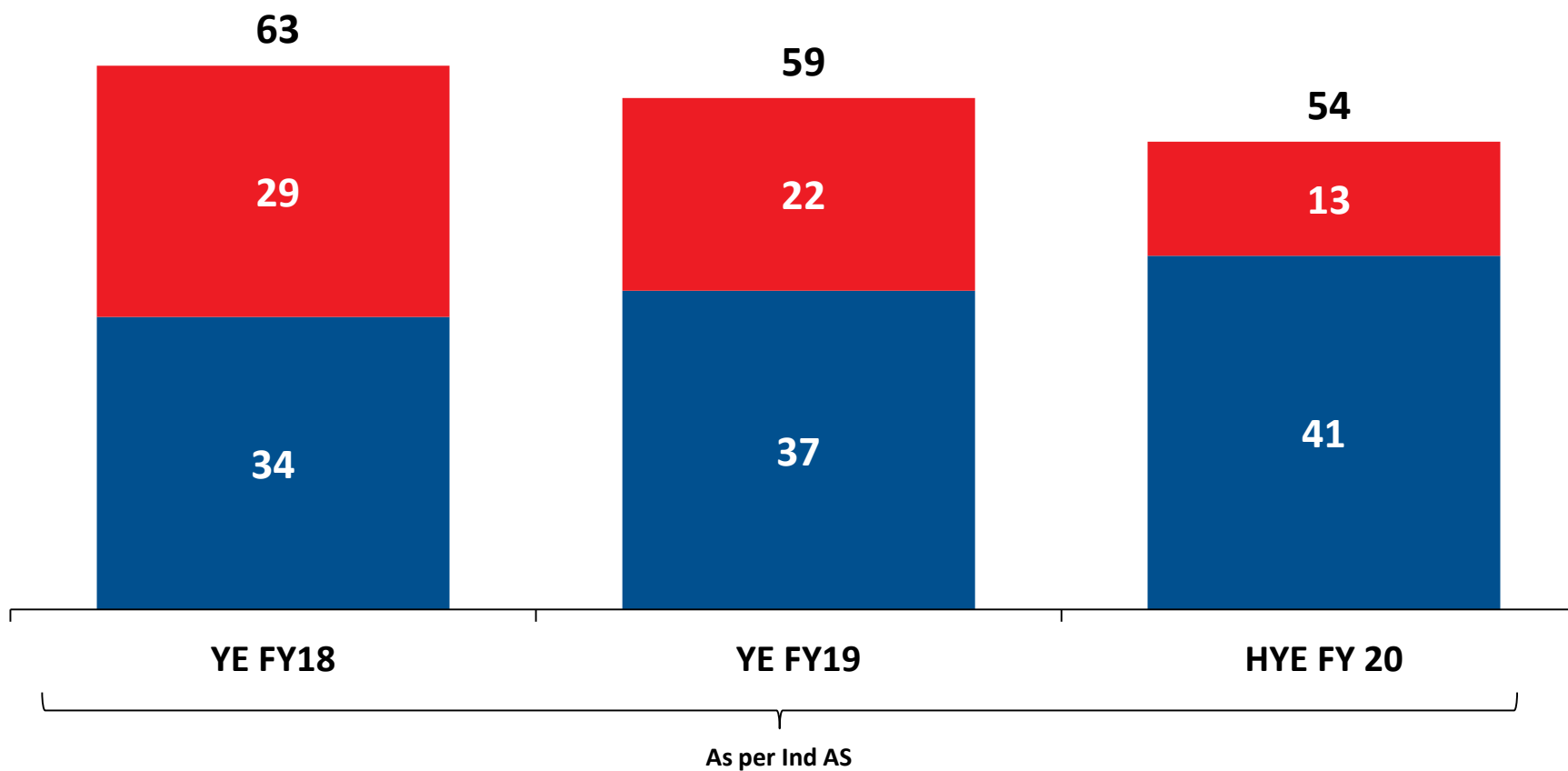
HDFC AMC'S INVESTMENTS IN NON CONVERTIBLE DEBENTURES (NCDs) OF ESSEL GROUP

As disclosed earlier (refer note 2 above), the Company holds certain NCDs of the Essel Group that are secured by a pledge of listed equity shares. The carrying value of these NCDs as at September 30, 2019 was ₹2,756.31 mm. The Company has received total of ₹1,668.64 mm towards part repayment of the said NCDs and interest thereon, from the issuer through sale of certain listed equity shares comprising part of the collateral. The value of the residual pledged listed equity shares as at November 25, 2019 is ₹ 1,439.54 mm.

Operating Profit Margin

■ Operating Revenue ■ Operating Expenses ■ PBT&OI

(bps of AAUM)

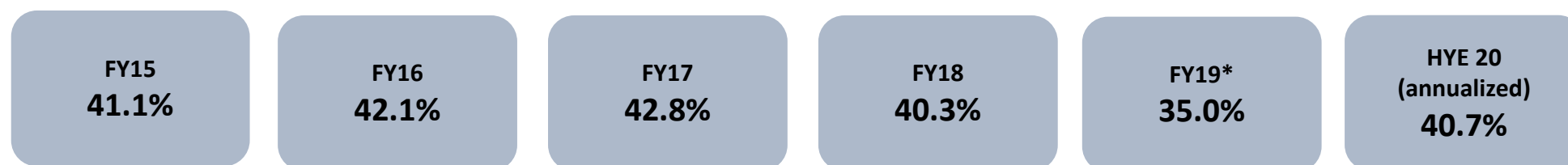


○ Statement of Assets and Liabilities

(₹ mm)

Particulars	As at September 30, 2019	As at March 31, 2019
Assets		
Financial Assets	33,843	30,978
Non Financial Assets	2,805	1,260
Total Assets	36,648	32,238
Liabilities And Equity		
Liabilities		
Financial Liabilities	2,057	1,130
Non-Financial Liabilities	459	400
Equity		
Equity Share Capital	1,063	1,063
Other Equity	33,069	29,645
Total Liabilities And Equity	36,648	32,238

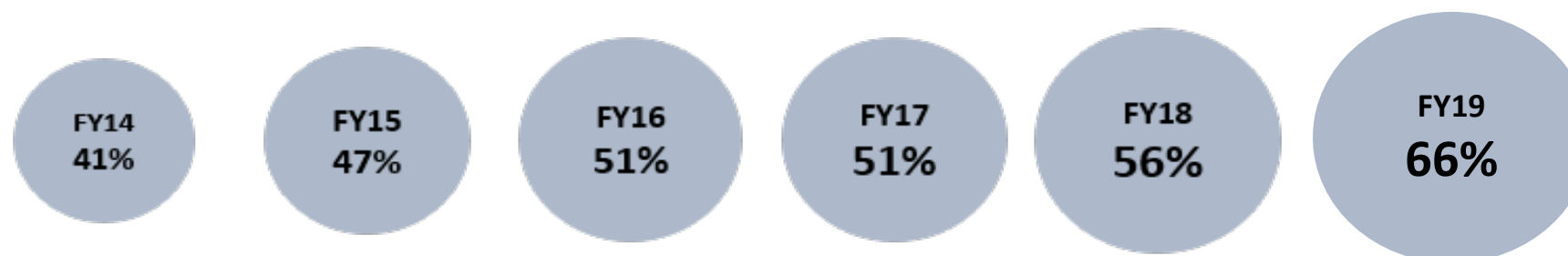
Return on Equity⁽¹⁾



*Return on Equity has reduced in FY 19 due to substantial increase in average networth

Return on Equity from FY15 to FY18 was under Previous GAAP whereas for FY19, it is under Ind AS

Consistently improving Dividend Payout Ratio⁽²⁾



(1) Calculated as Profit After Tax divided by average Net Worth

(2) Including dividend distribution tax. FY19 includes interim dividend of Rs. 12 paid in March 2019 and a final dividend of Rs. 12 proposed by the board on 26th April 2019 and approved by the shareholders at the Annual General Meeting held on July, 16, 2019.

Thank You



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Definitions

AUM refers to Assets Under Management as on end of any given month/period

MAAUM refers to a given month’s average Assets Under Management

QAAUM refers to a given quarter’s average Assets Under Management

AAAUM refers to a given year’s average Assets Under Management

Unless otherwise stated, the above definitions are used for Mutual Fund Assets under management



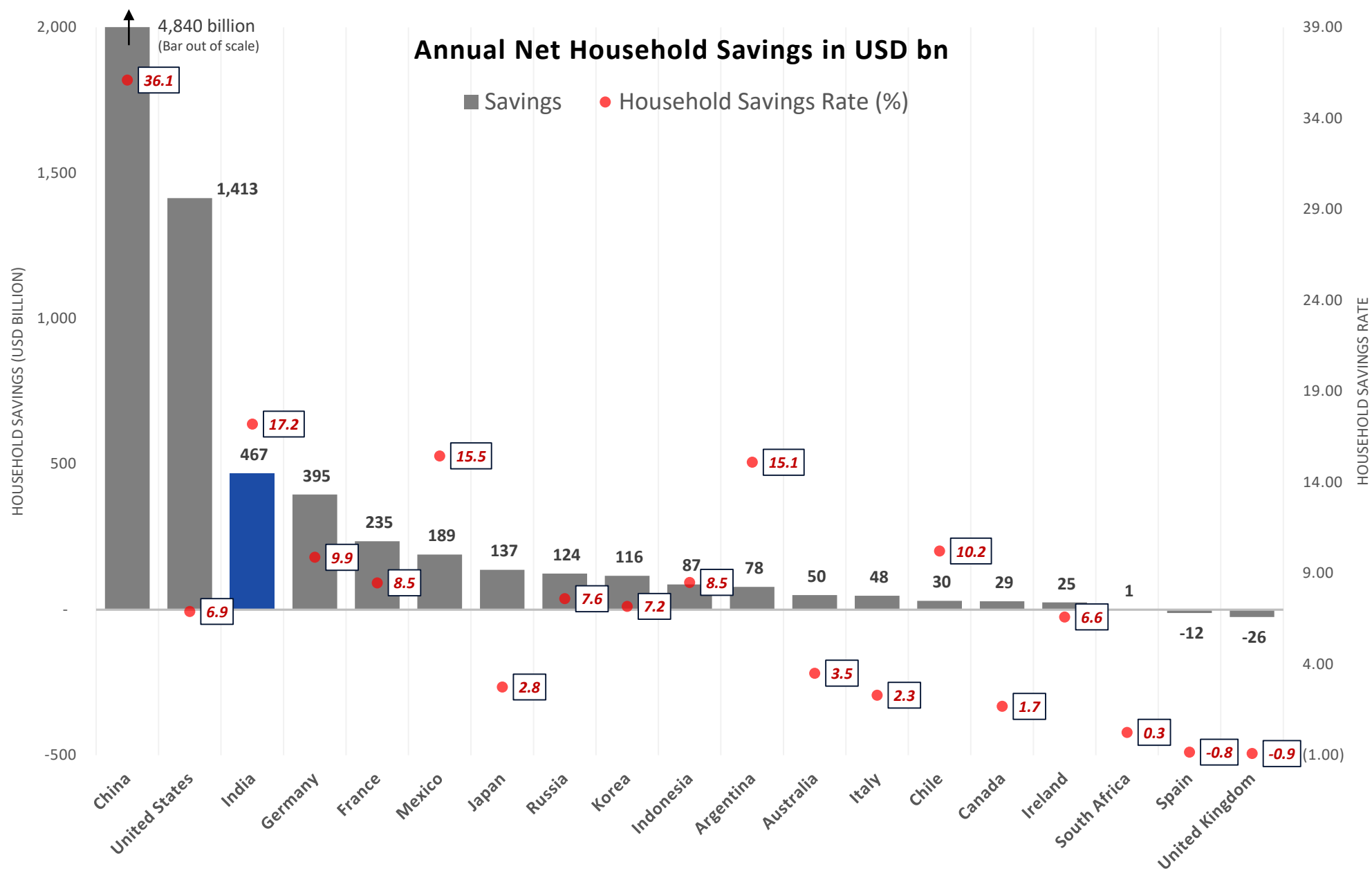
HDFC Asset Management Company Limited

Update
26 November 2019

Background and Opportunity



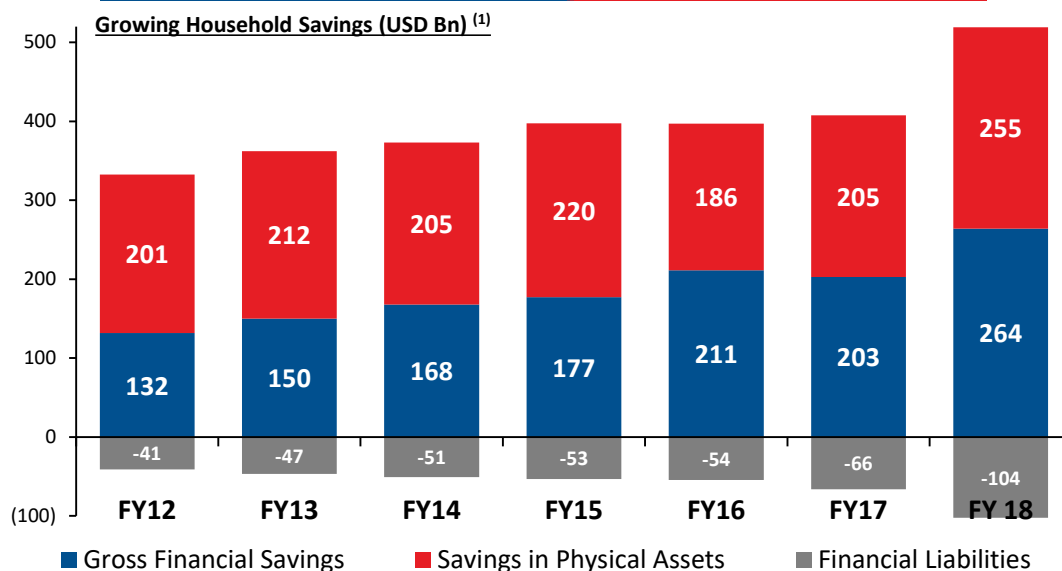
India – the third largest in household savings globally



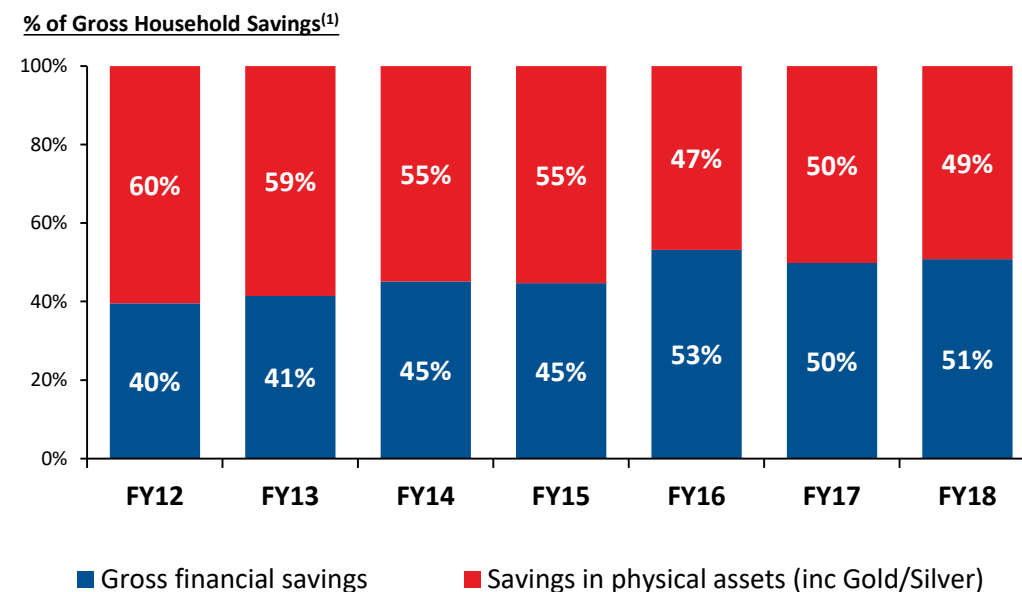
Source: OECD, FRED, RBI, IMF

Indian Household Savings pattern

High Savings Culture...

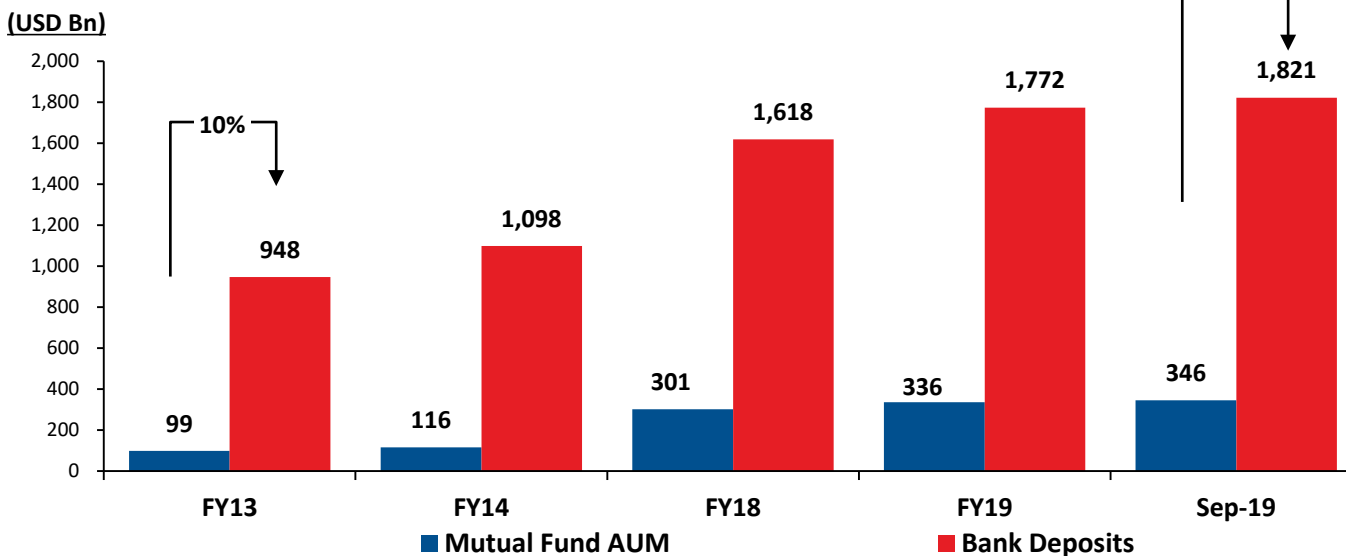


..Shift to Financial Assets..



...With Increasing Preference for Mutual Funds

Mutual Fund AUM Reducing the Gap with Bank deposits ⁽²⁾

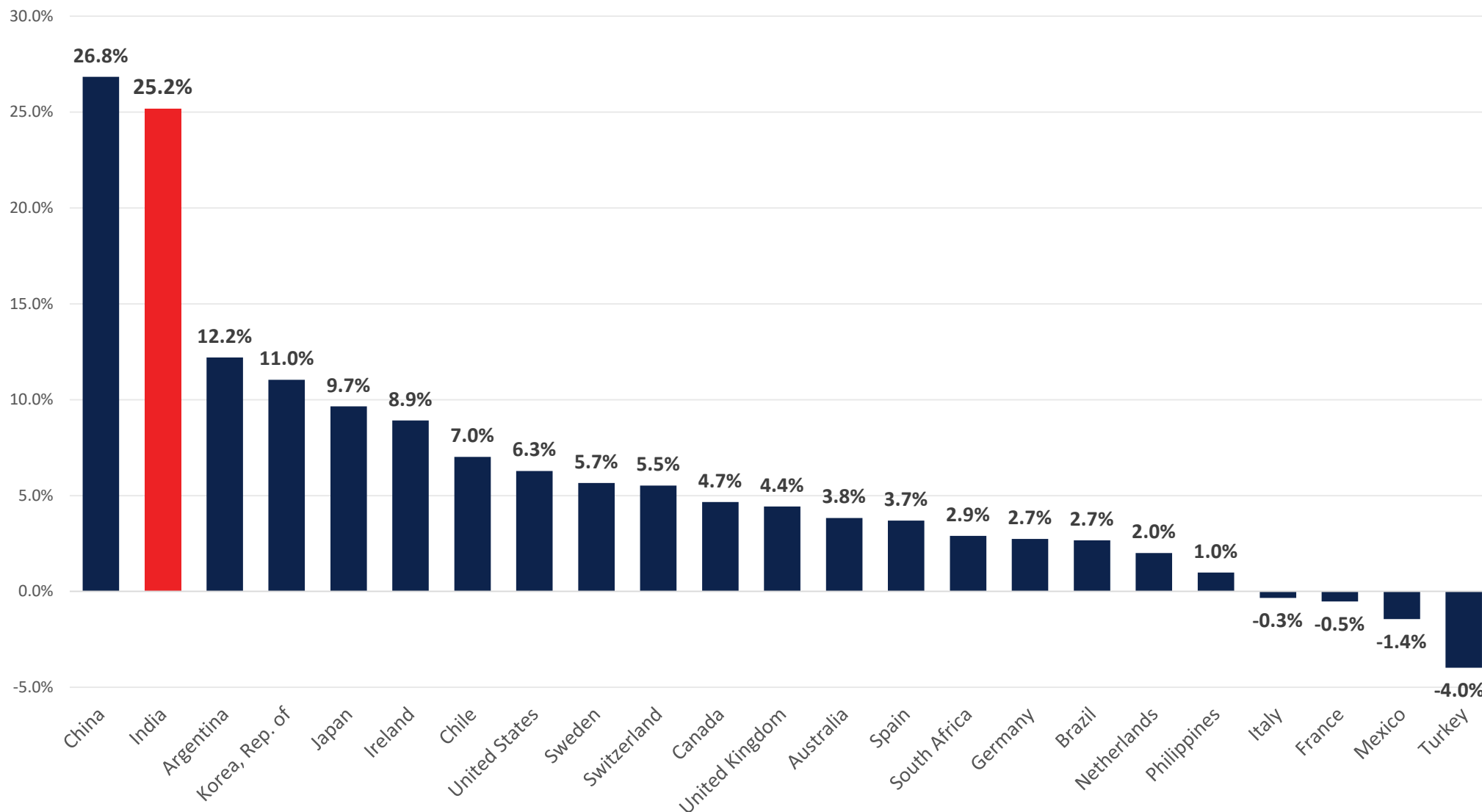


Mar-13 to Sep-19 CAGR:
Mutual Fund AUM: 21%
Bank Deposits: 11%

(1) Source: RBI, CRISIL Research; (2) Source: AMFI, RBI, CRISIL Research. Sep-2019 Deposits as per RBI provisional numbers

Mutual Fund AUM Growth – India v World

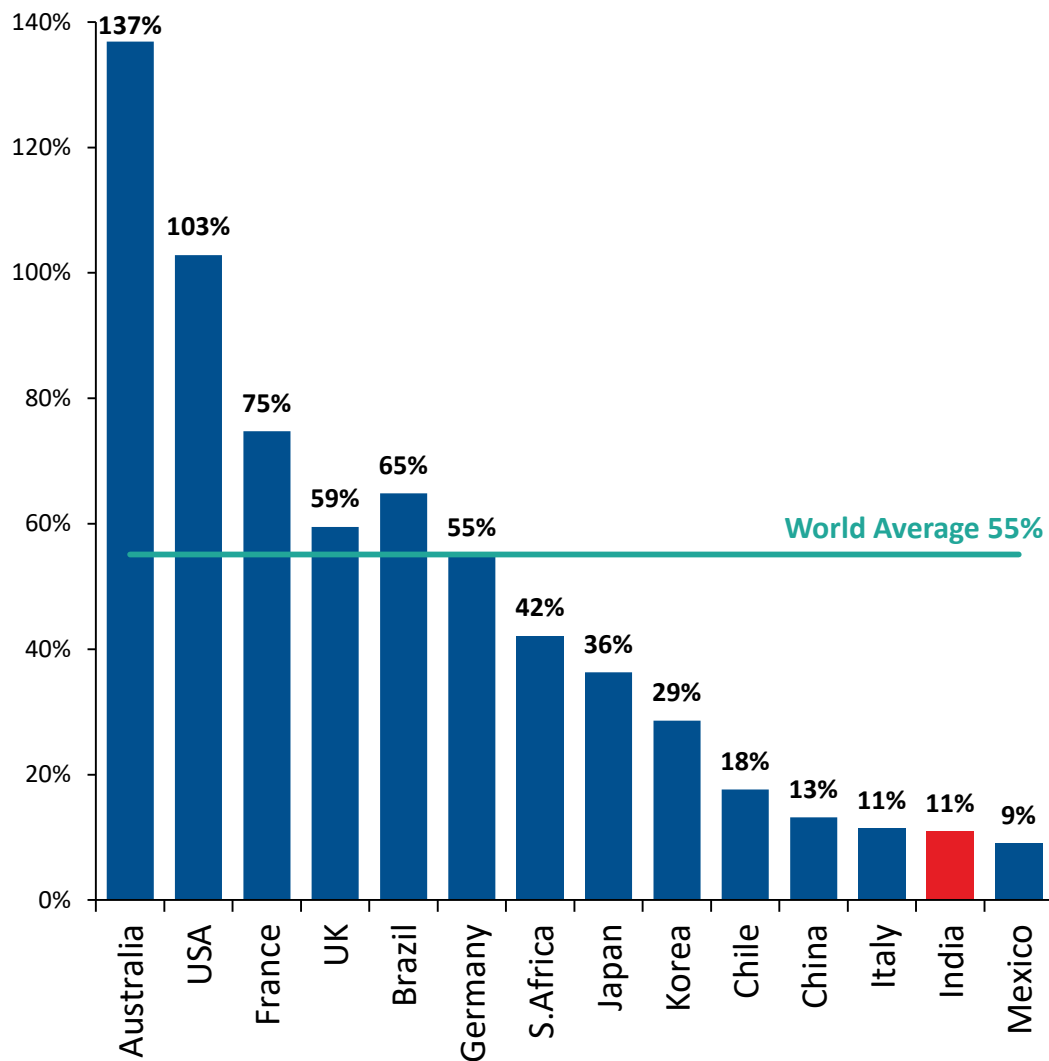
5 year CAGR growth in MF AUM



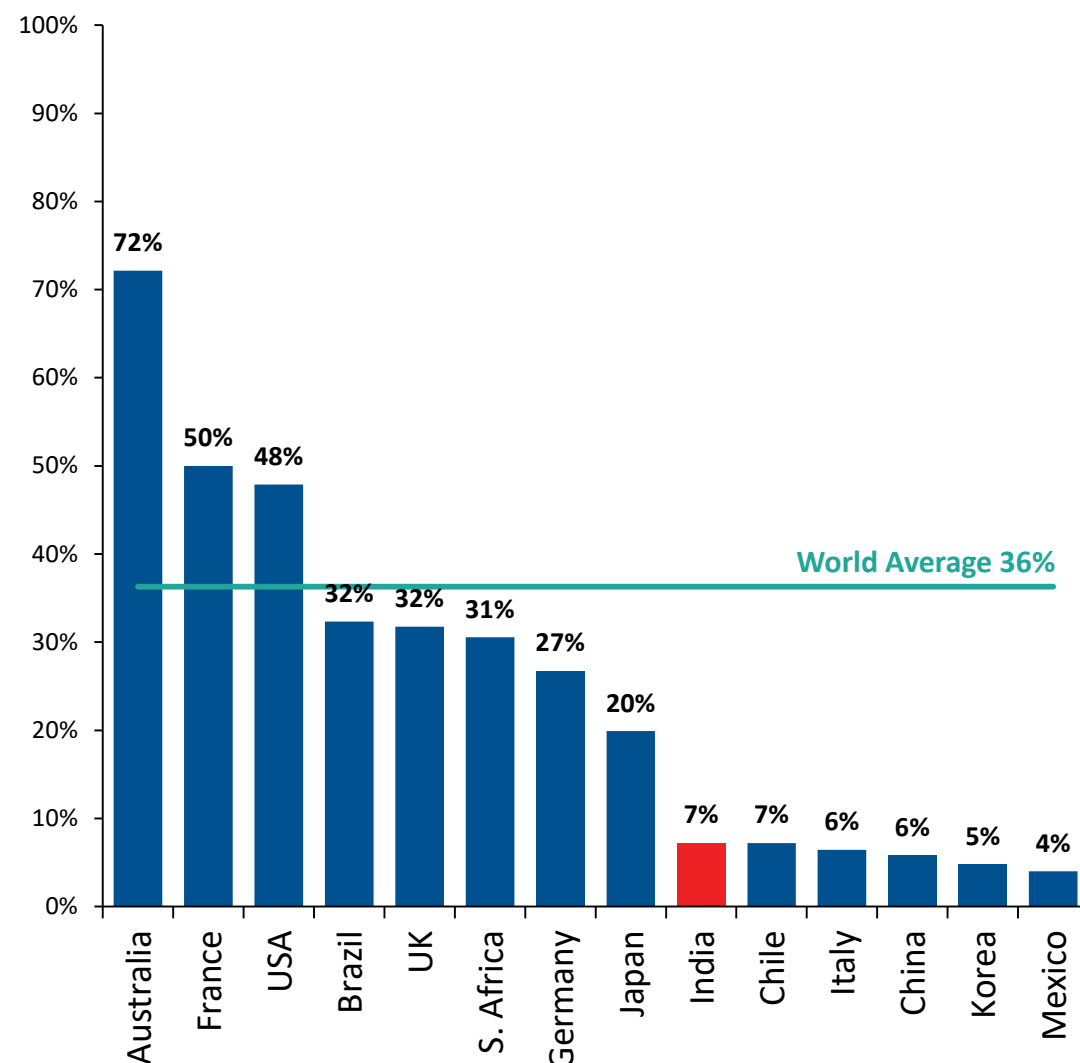
Source: IIFA (as of 31 March 2019)

AUM as % of GDP, Market Cap

AUM as % of GDP



Equity AUM as % of Market Cap



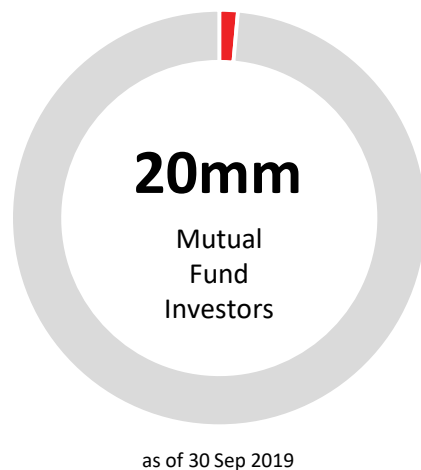
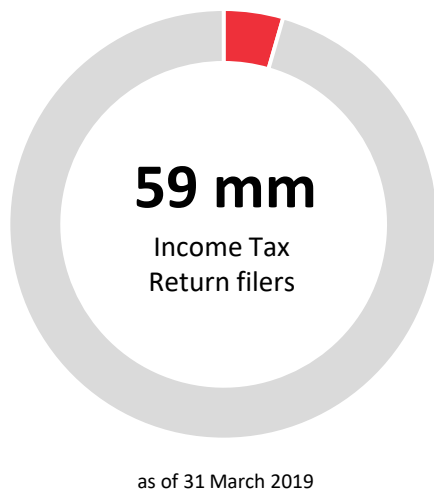
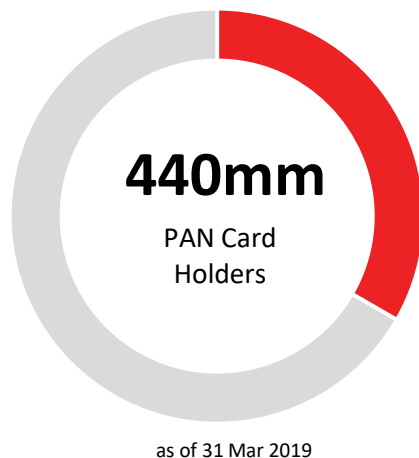
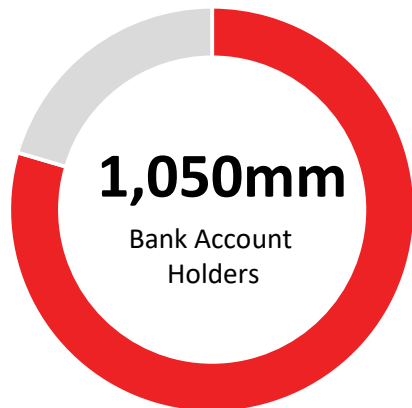
Source: IMF (GDP, CY 2018), IIFA (MF AUM, CY 2018:Q4); Bloomberg (Market-Cap CY 2018:Q4). Balanced/mixed funds are assumed to be composed of 70% equity. Only open-ended funds have been considered.

Global vs Indian AUM, Market Cap, GDP

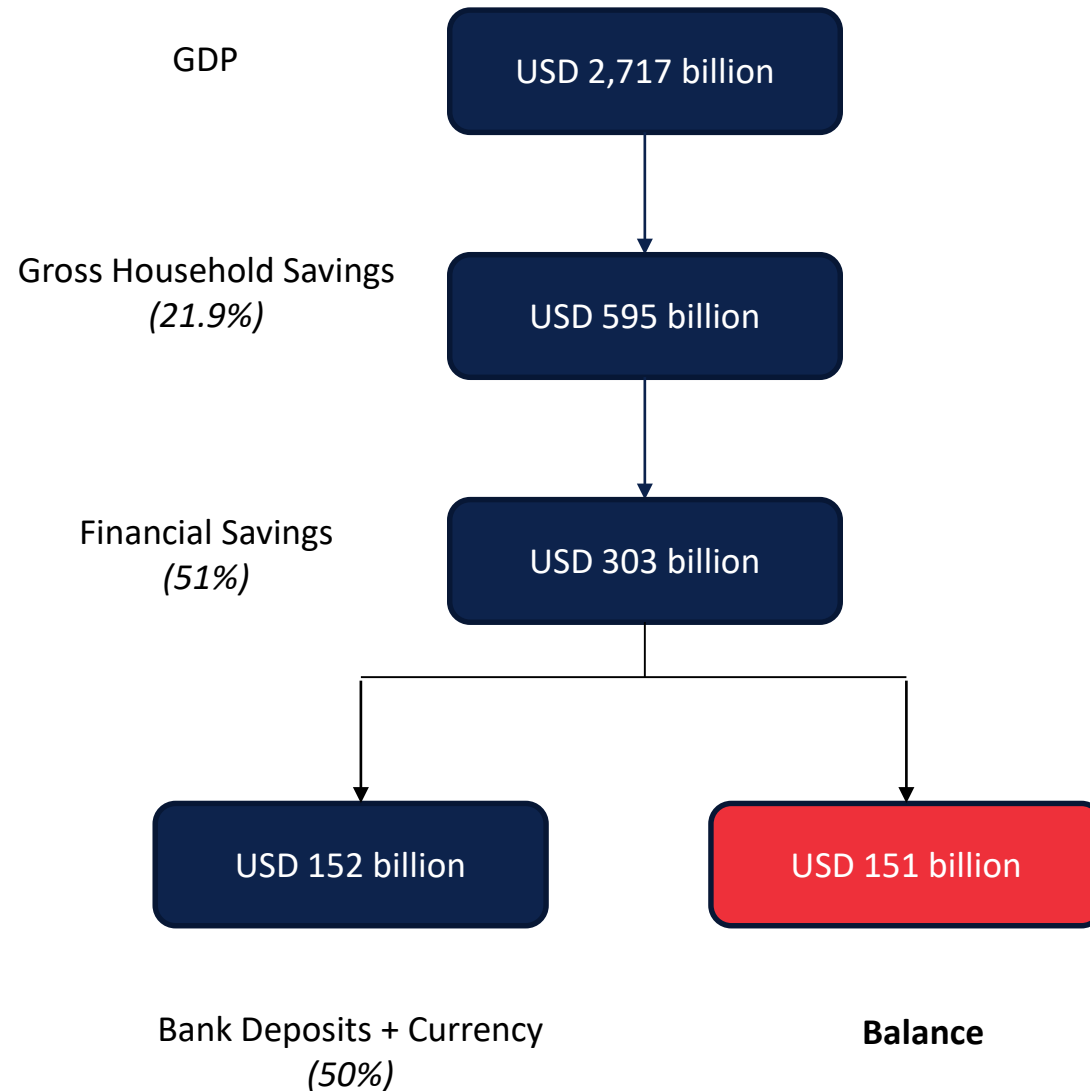
USD Trillion	India	World	India Share (%)
Mutual Fund Assets	0.37	50.4	0.73%
Equity-oriented	0.13	25.2	0.53%
Market Cap	2.08	69.4	3.00%
Equity AUM as % of MCap	6.4%	36.3%	
GDP	2.72	84.74	3.21%
AUM as % of GDP	13.5%	55.1%	

- India's share of global GDP and Market Cap is in excess of 3%, however its share in Mutual Fund Assets is 0.73%
- India's equity-oriented AUM as a % of Market Cap is 6.4% as against the global average of 36.3%
- India's AUM as a % of GDP is 13.5% as against a global average of 55.1%

India Population: 1,320 mm



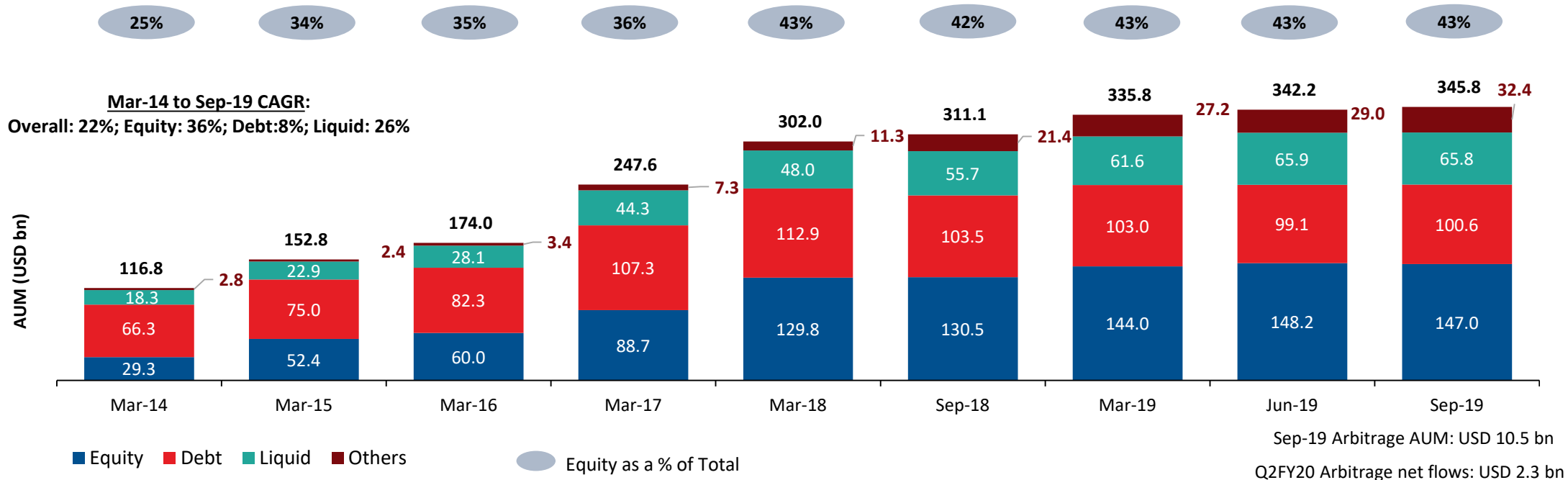
The opportunity size



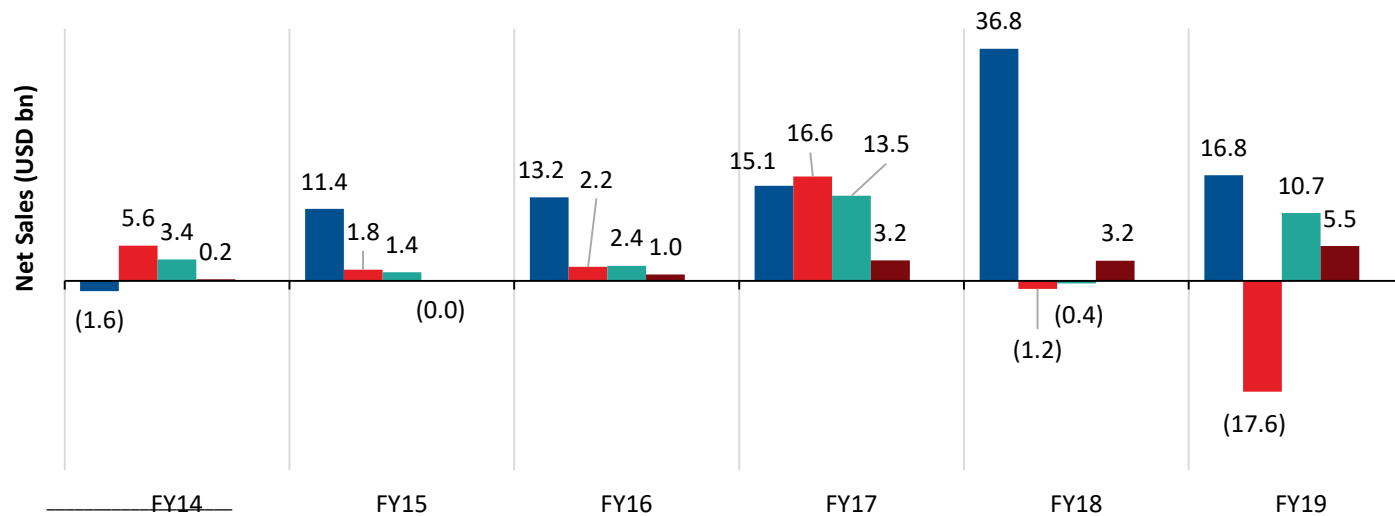
Mutual Fund Industry and HDFC AMC



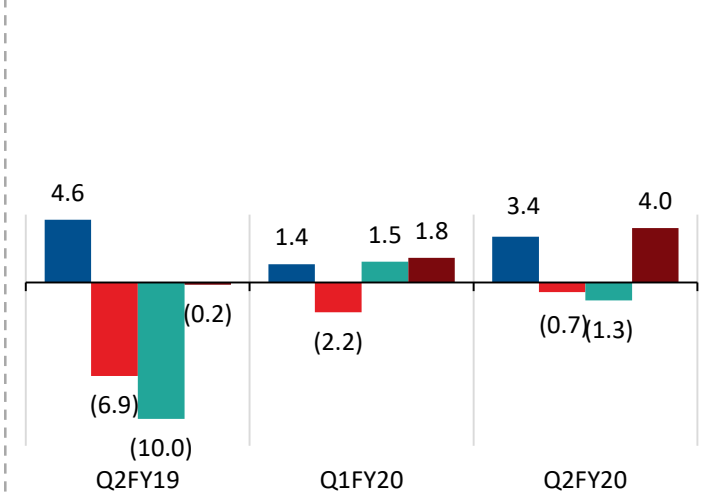
Industry - AUM and Net Sales



Yearly net sales



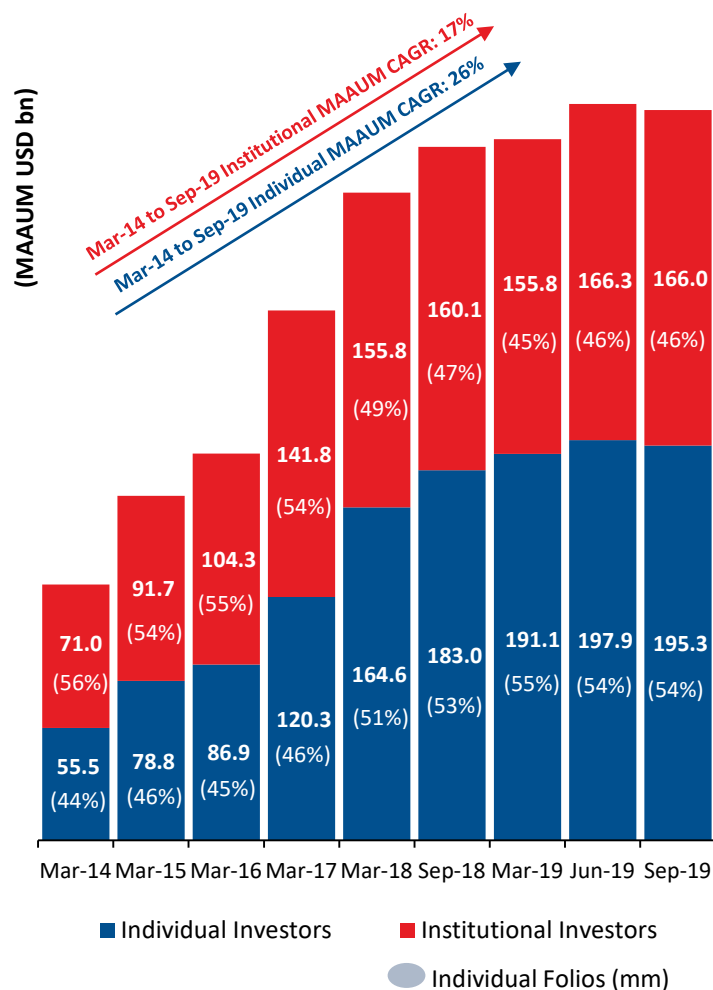
Quarterly net sales



Individual / Institutional MAAUM, SIP Flows, B-15/B30

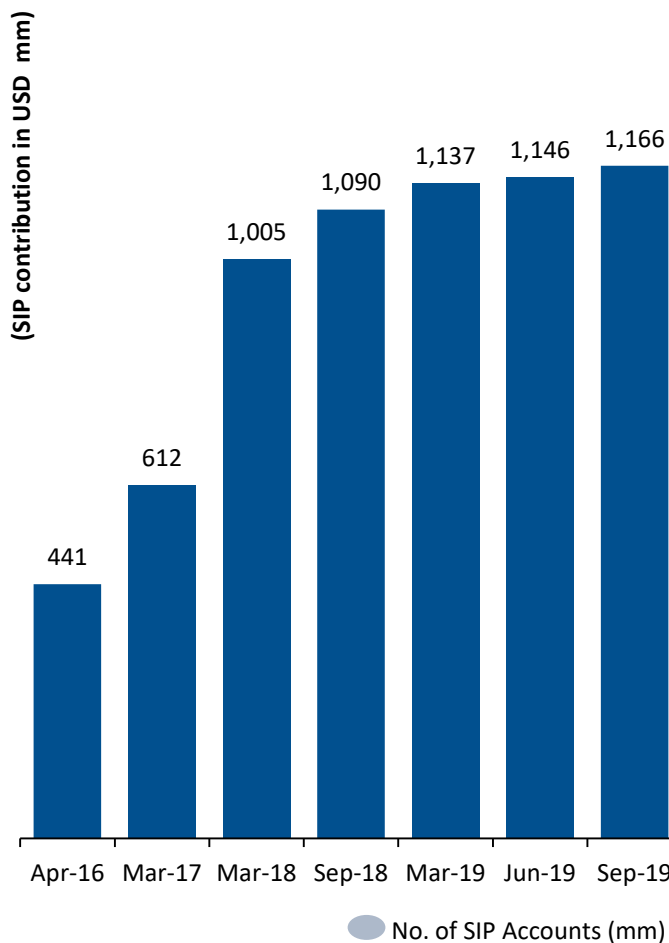
MAAUM of Individual Investors⁽¹⁾⁽²⁾⁽³⁾

39.2 41.4 47.2 54.8 70.9 77.5 82.1 83.4 85.2



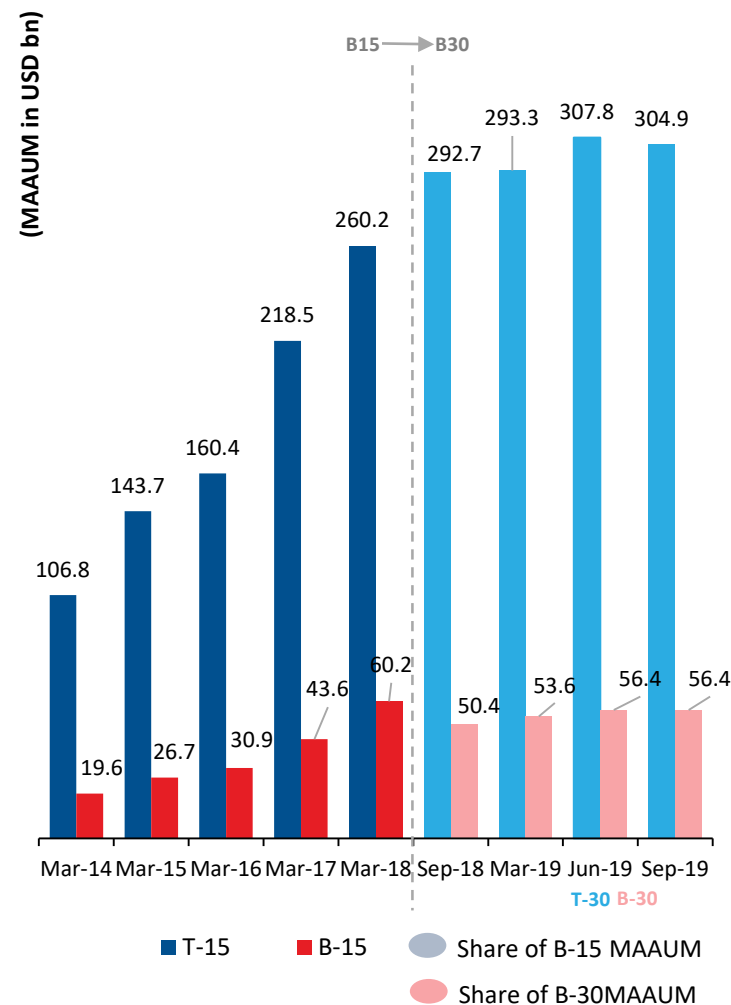
SIP Flows⁽¹⁾

10.1 13.5 21.1 24.4 26.2 27.4 28.4

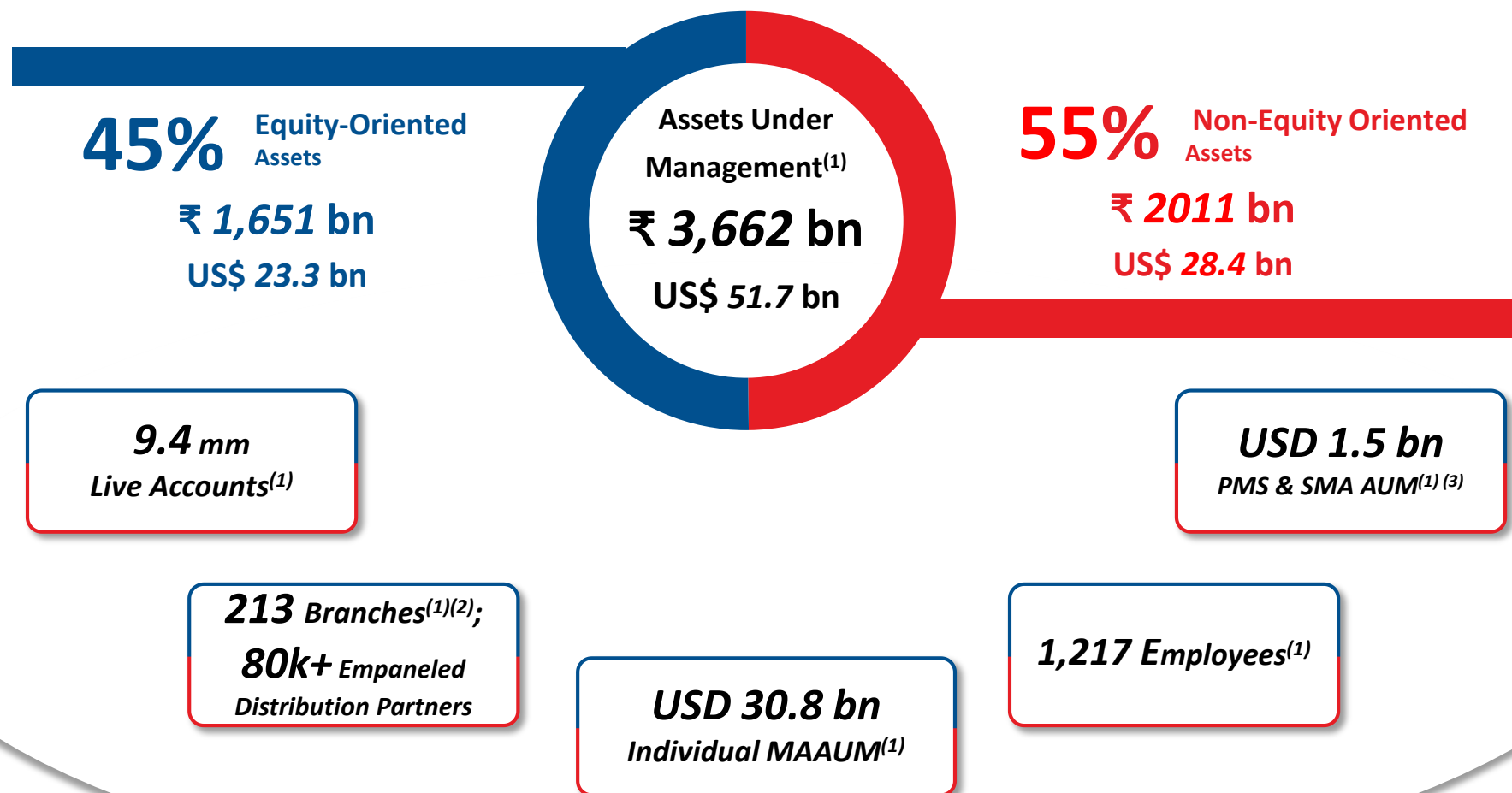


MAAUM of B-15/B-30⁽¹⁾⁽²⁾

16% 16% 16% 17% 19% 15% 15% 15% 16%



○ HDFC AMC at a glance



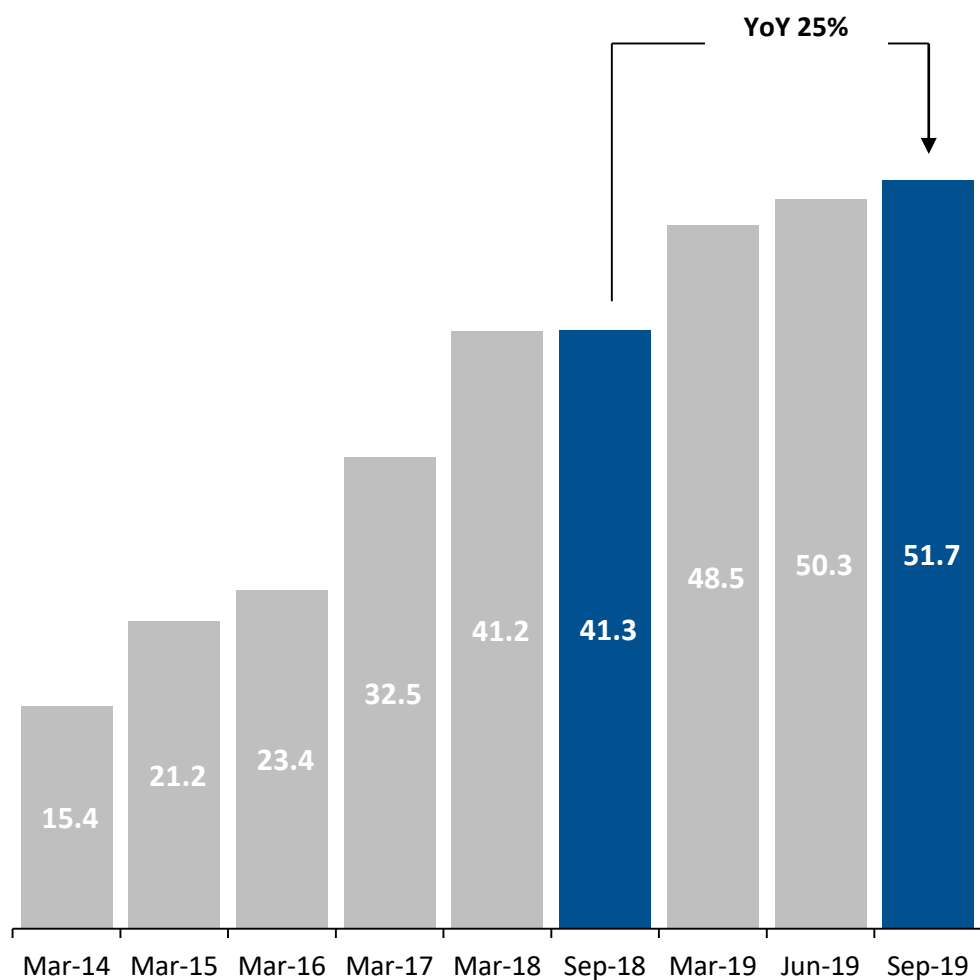
(1) As of Sep 30, 2019 / for Sep 2019; (2) Includes one representative office in Dubai; (3) Includes advisory mandates

(2) Source: Internal. USD/INR conversion rate: ₹ 70.8688

○ Total AUM and Market Share

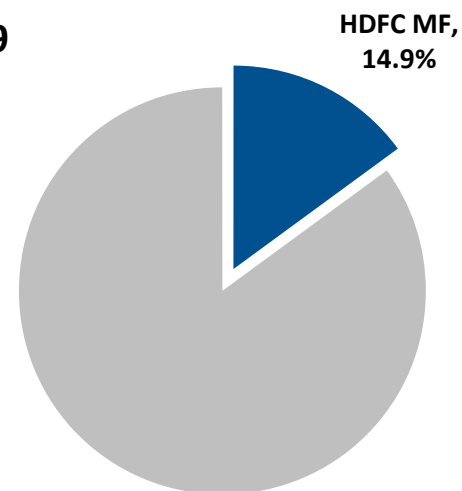
Total AUM⁽¹⁾

USD billion

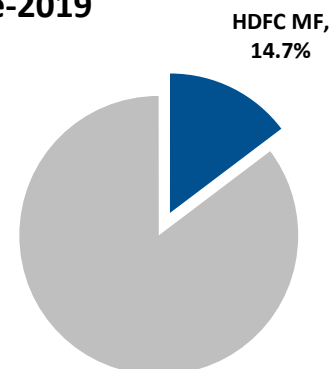


Market Share in Total AUM⁽²⁾

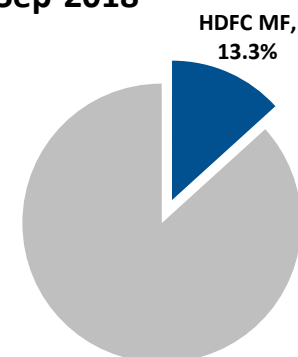
Sep-2019



June-2019



Sep-2018



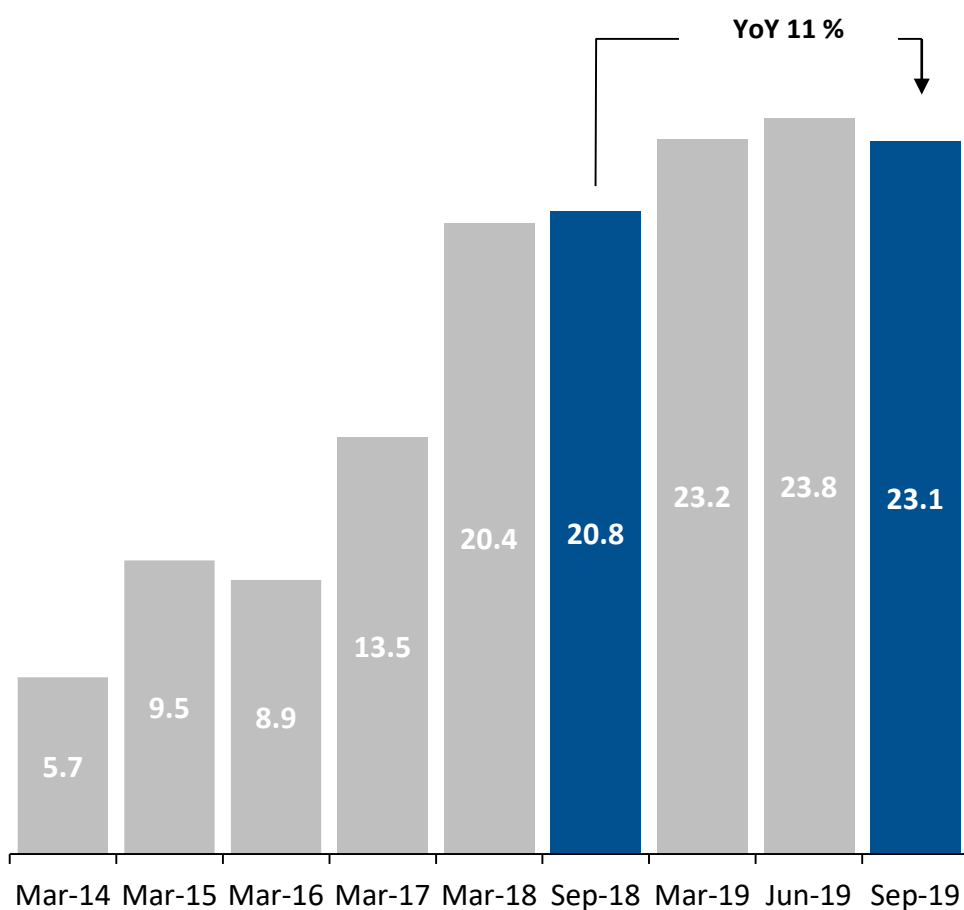
(1) Source: Internal

(2) Source: Internal, AMFI

Actively Managed Equity-oriented AUM and Market Share

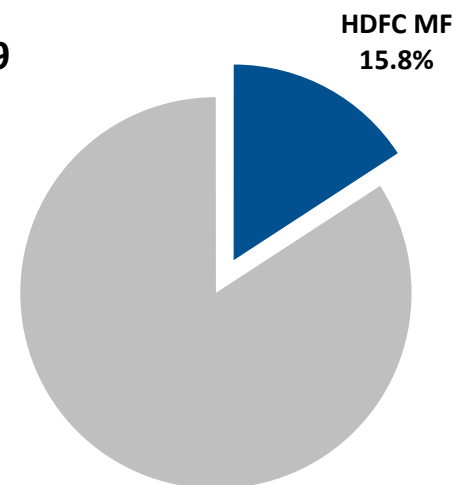
Actively Managed Equity-oriented AUM⁽¹⁾

USD billion

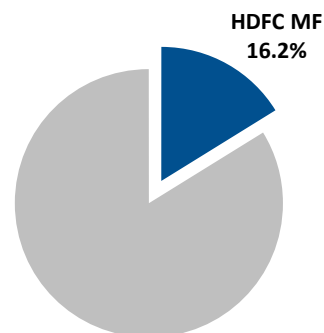


#1 Market Share in Actively Managed Equity-oriented AUM⁽²⁾

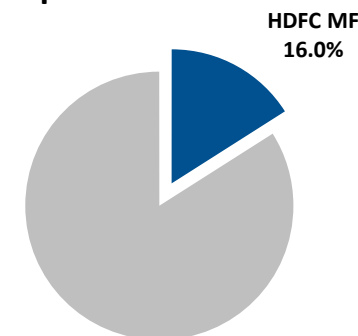
Sep-2019



June-2019



Sep-2018



(1) Source: Internal

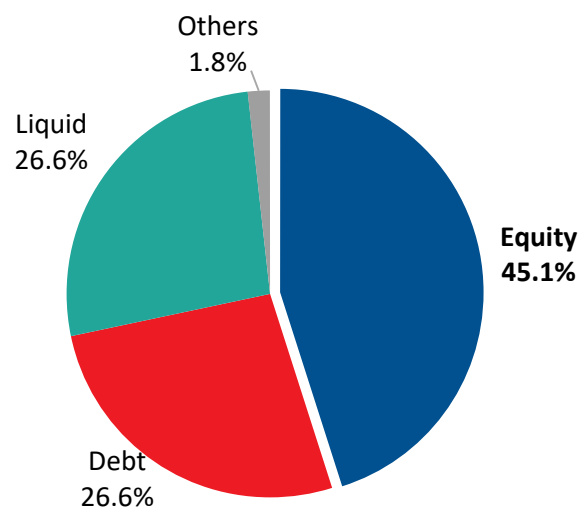
(2) Source: AMFI, Internal

Actively managed equity-oriented AUM excludes index and arbitrage funds from equity-oriented funds

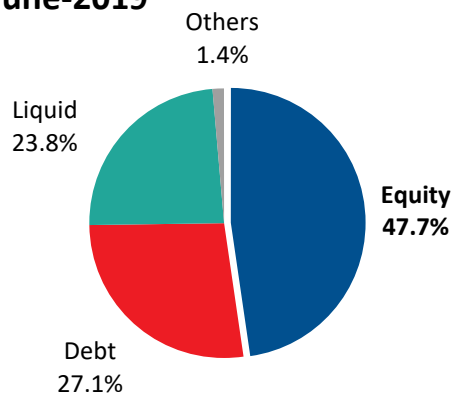
○ AUM by Segment – HDFC AMC and Industry

HDFC AMC MF AUM by Segment ⁽¹⁾⁽³⁾

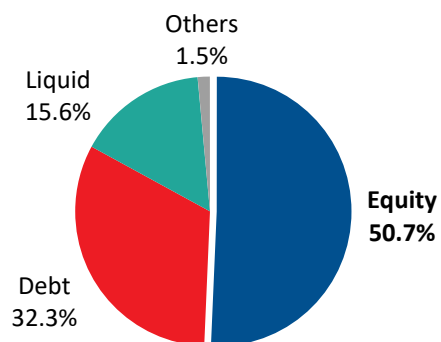
Sep-2019



June-2019

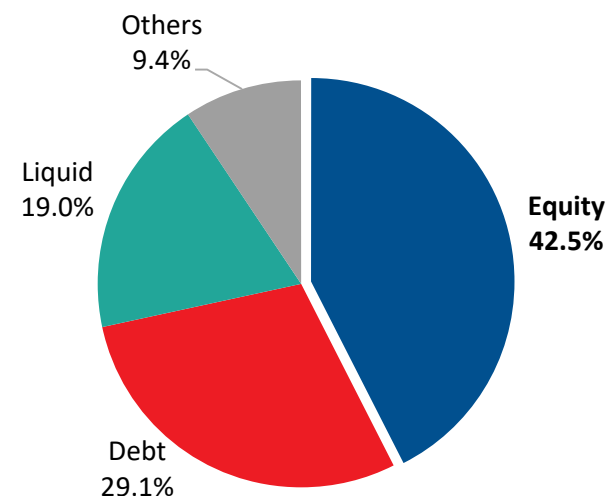


Sep-2018

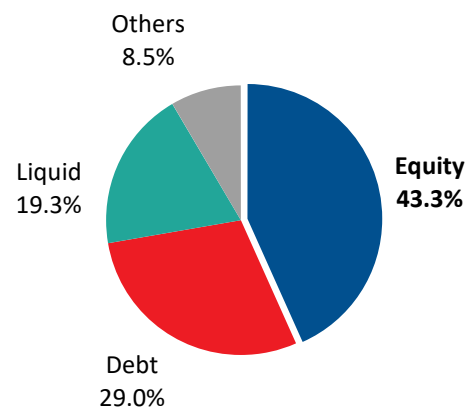


Industry AUM by Segment ⁽²⁾⁽³⁾

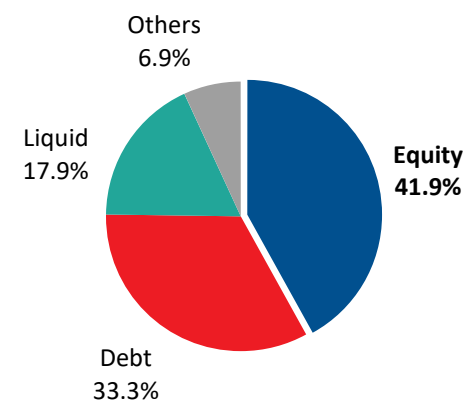
Sep-2019



June-2019



Sep-2018



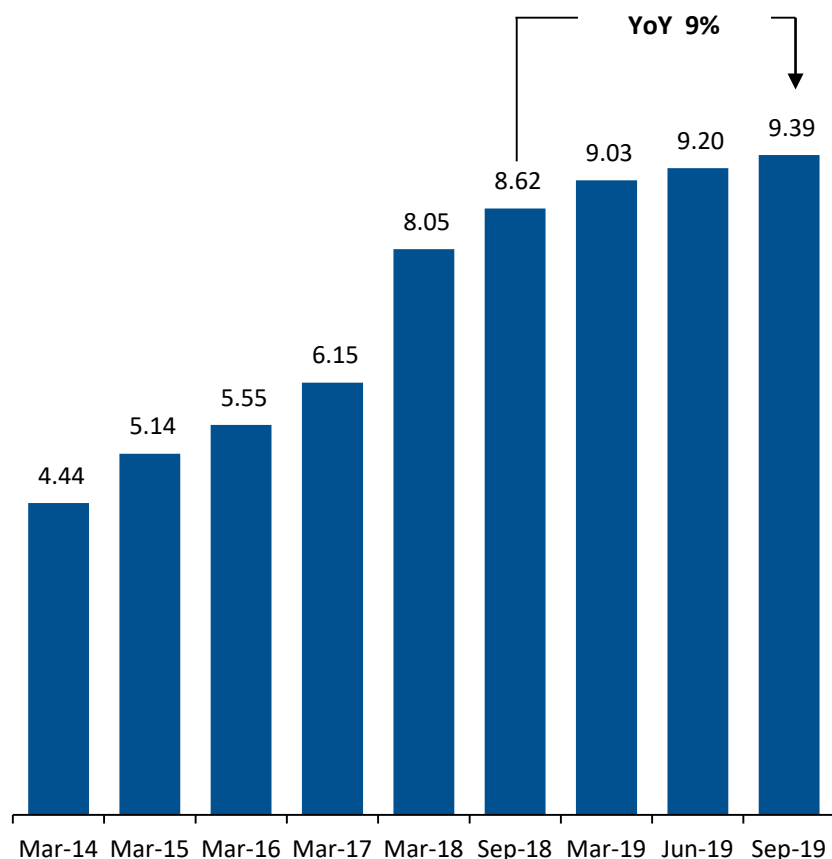
(1) Source: Internal

(2) Source: AMFI

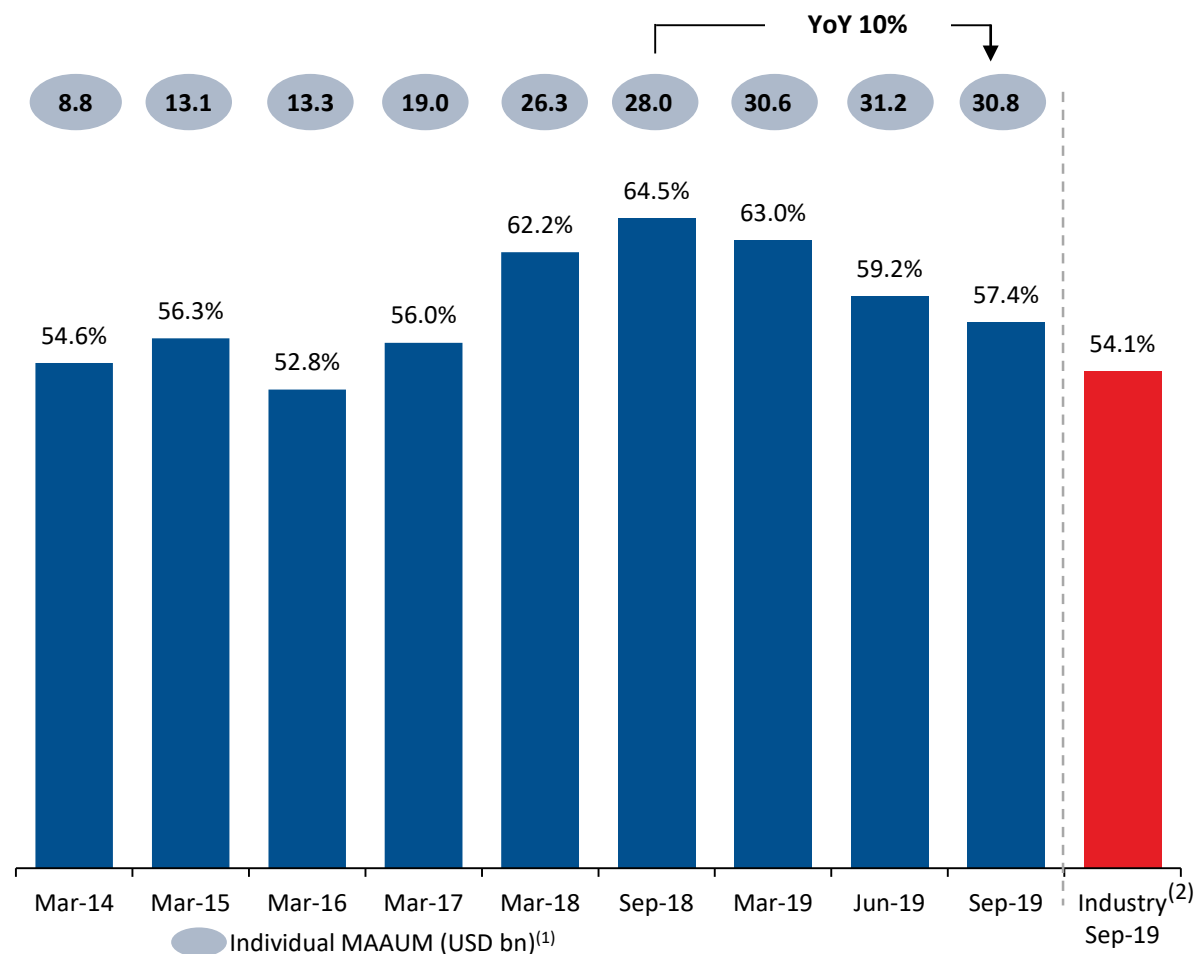
(3) From April 2018, Arbitrage is included in other category

Individual Investors – no of Accounts & MAAUM

Number of Live Individual Accounts (in millions) ⁽¹⁾



Individual MAAUM % of Total ⁽¹⁾



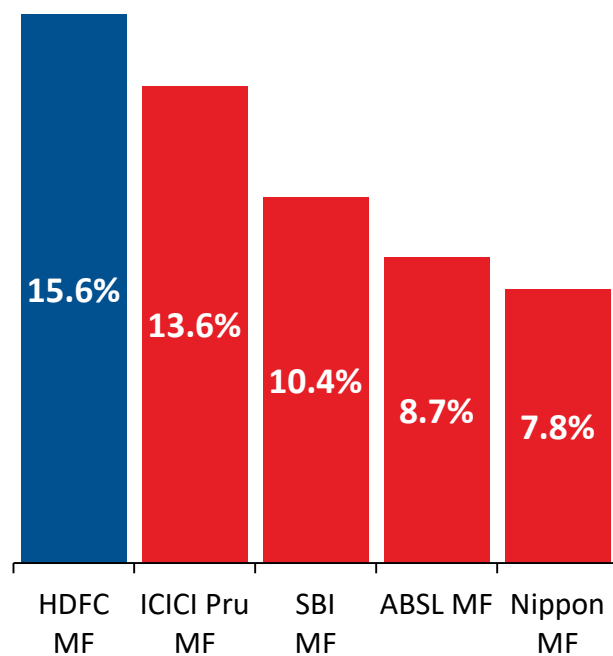
Individual customer prefer equity-oriented schemes and stay invested for longer periods

⁽¹⁾ Source: Internal

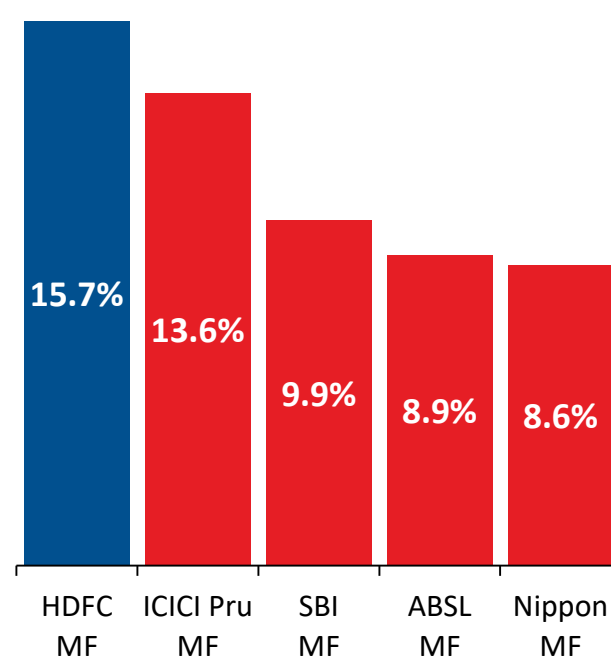
⁽²⁾ Source: AMFI

○ Most Preferred Choice of Individual Investors

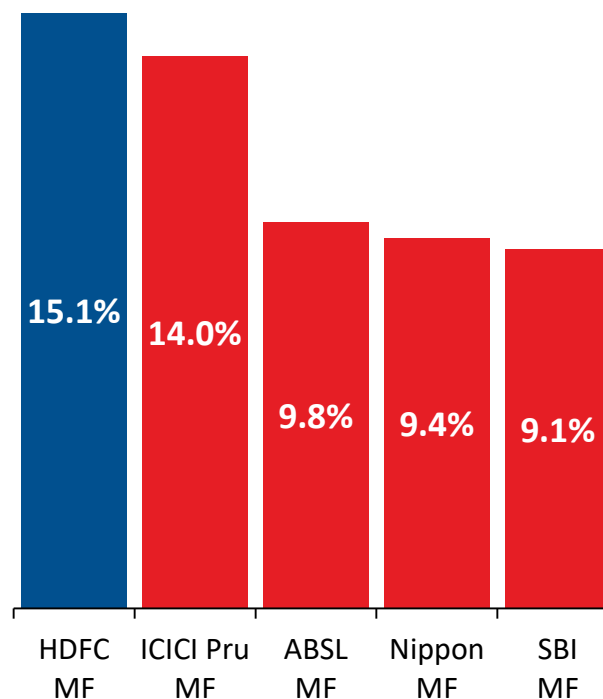
Individual Assets Market Share (Sep-19)



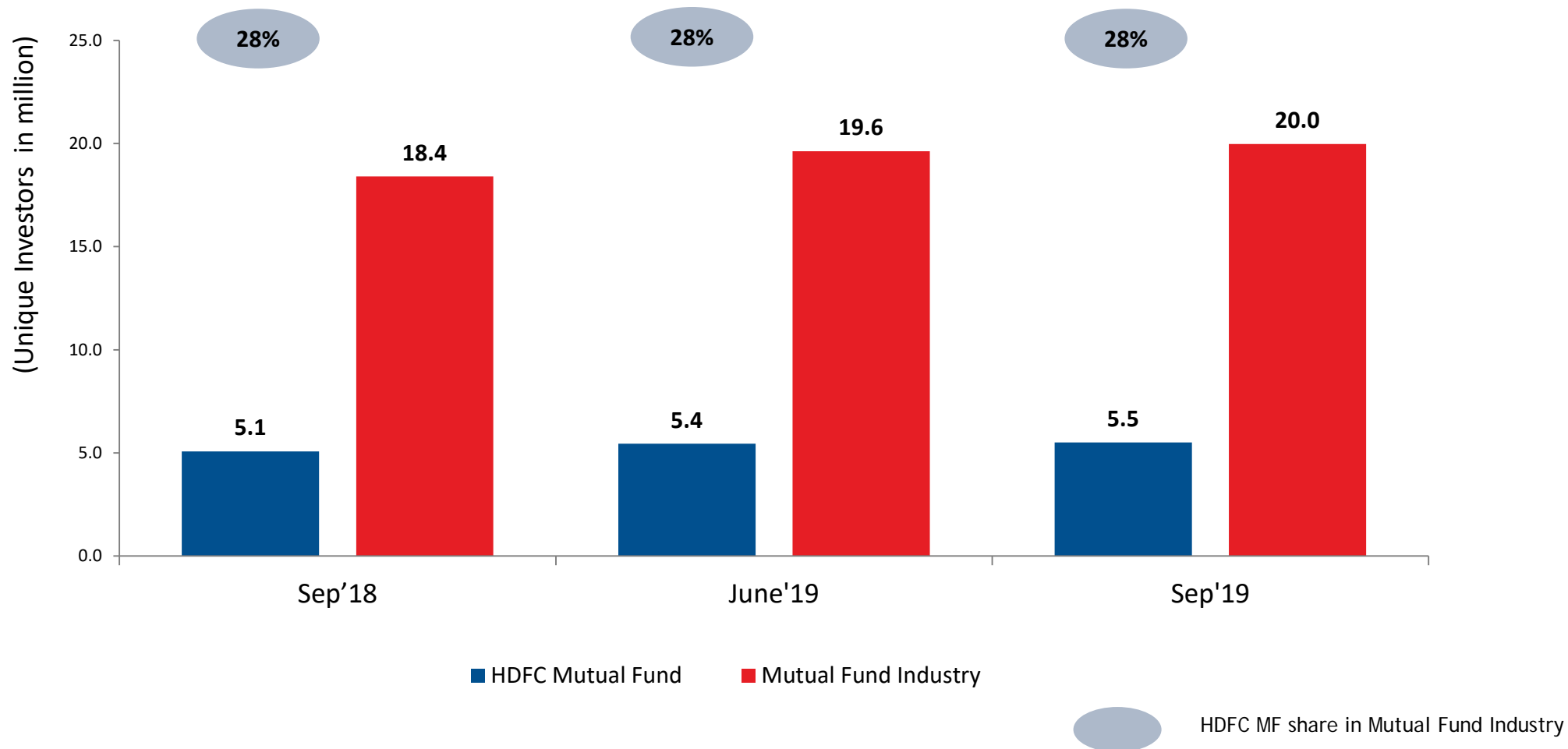
Individual Assets Market Share (June-19)



Individual Assets Market Share (Sep-18)

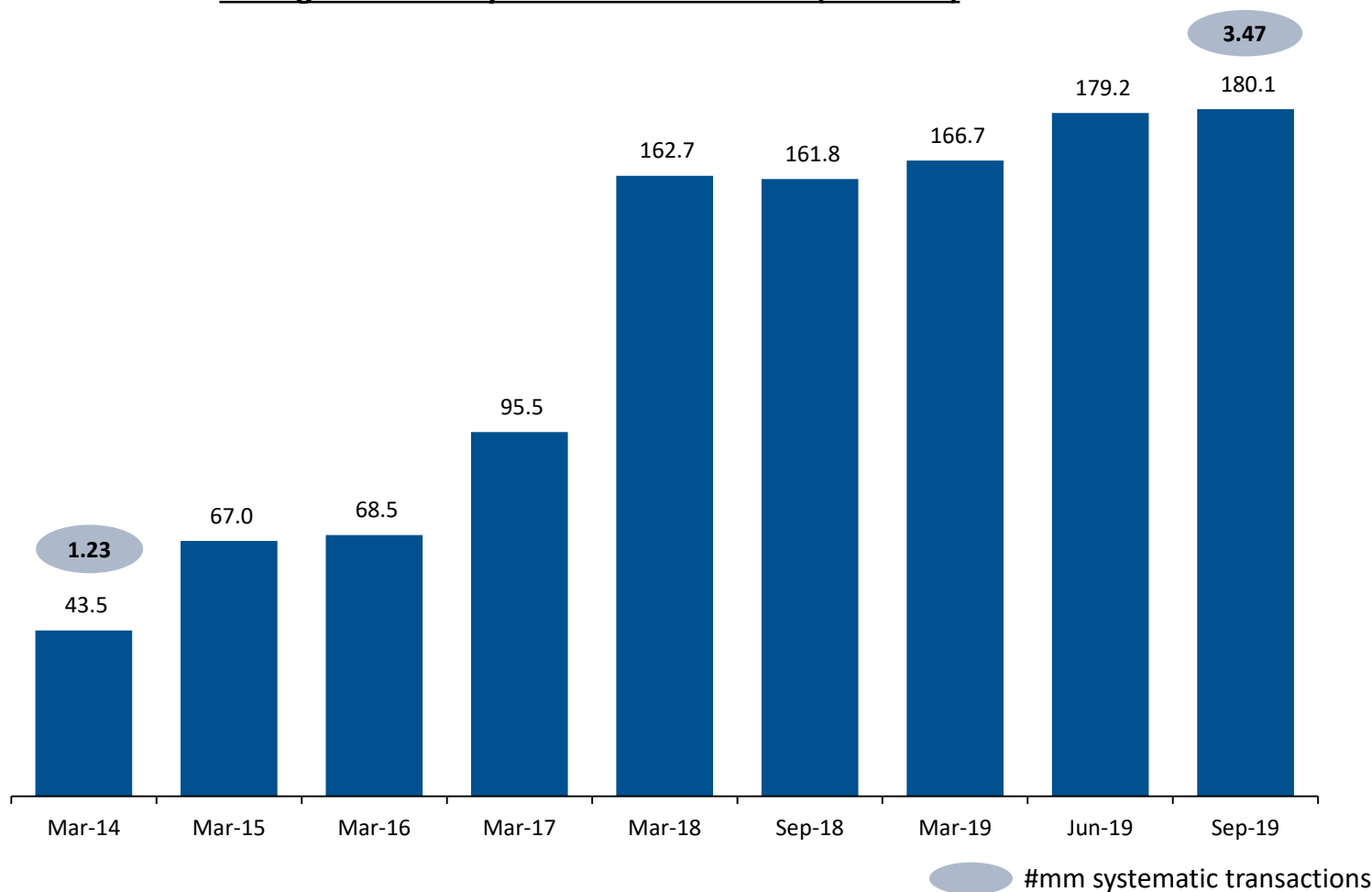


Unique Investors- HDFC AMC vs MF Industry

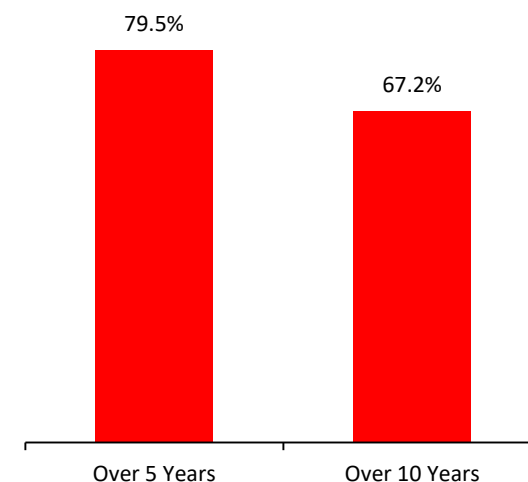


Quality Long-term Inflows Through Systematic Transactions

Strong Growth in Systematic Transactions (USD mm)



Long Tenure SIP Book⁽¹⁾



**Strong and growing
“Order Book” to provide
predictable flows**

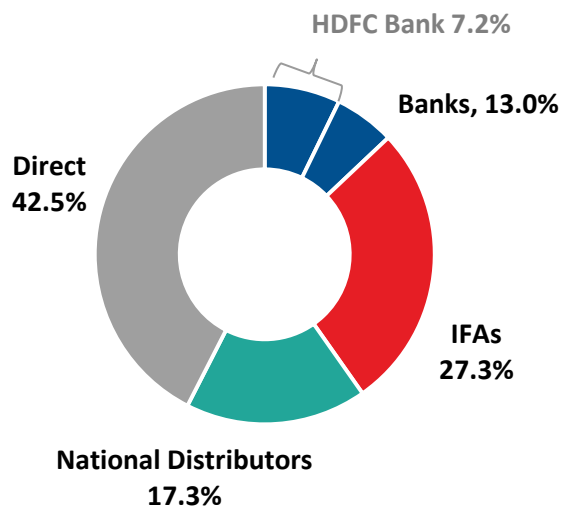
Source: Internal

(1) Based on tenure at the time of registration of all live SIPs during Sep-19

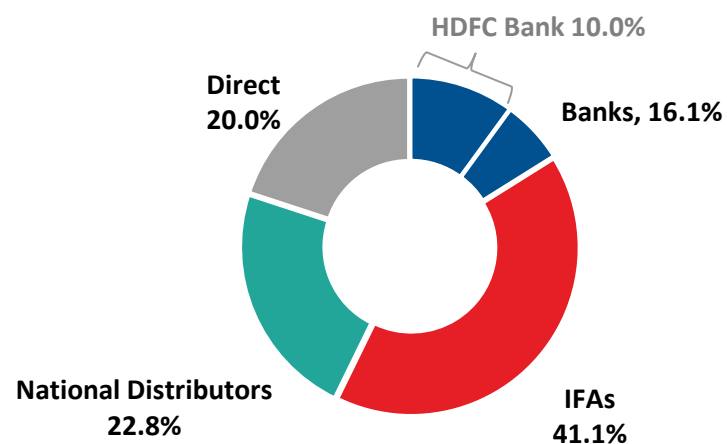
Multi-channel Distribution Network

Well Diversified Distribution Channel

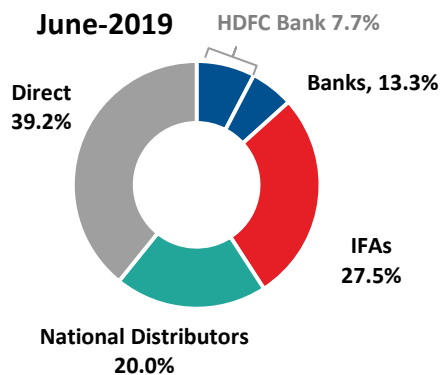
Total AUM (Sep-19)



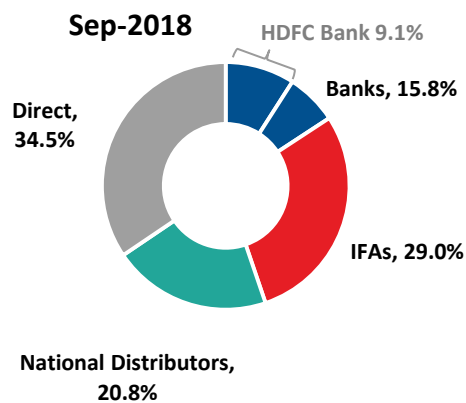
Equity-oriented AUM (Sep-19)



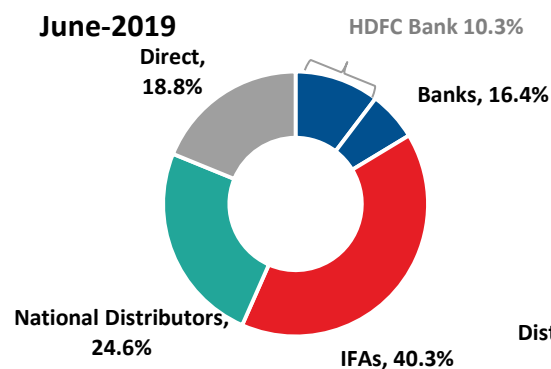
June-2019



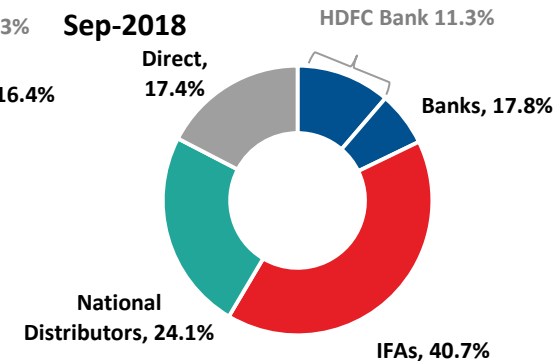
Sep-2018



June-2019

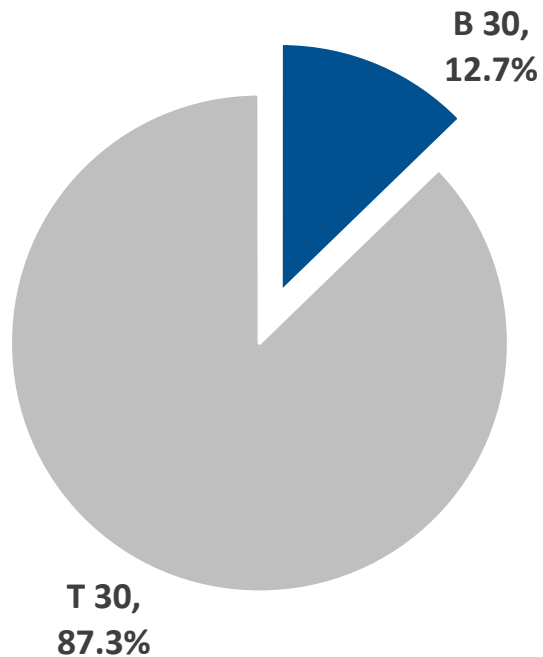


Sep-2018

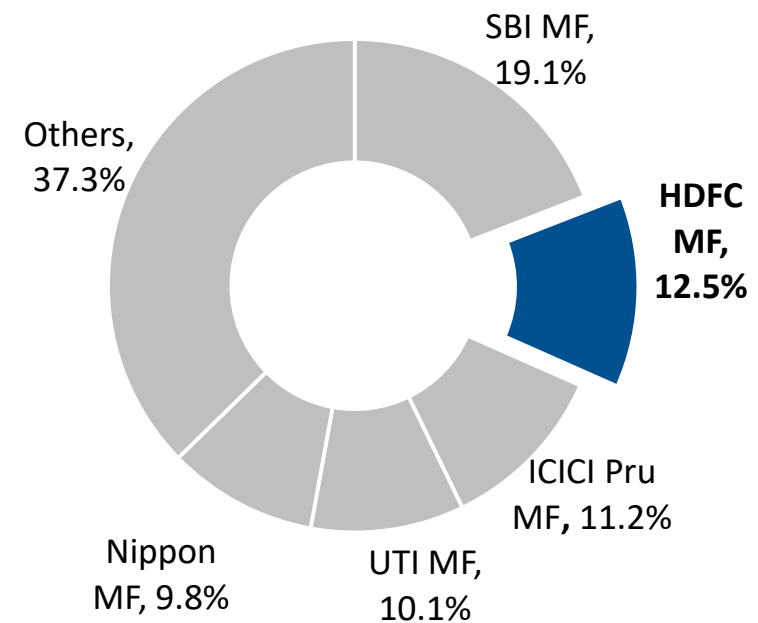


Geographic Spread

Total MAAUM by T30 and B30 cities⁽¹⁾



#2 Player in B-30 Markets⁽¹⁾



Network of 213 branches with 137 in B-30 cities⁽²⁾

c. 80k+ empaneled distribution partners

⁽¹⁾ Source: Internal

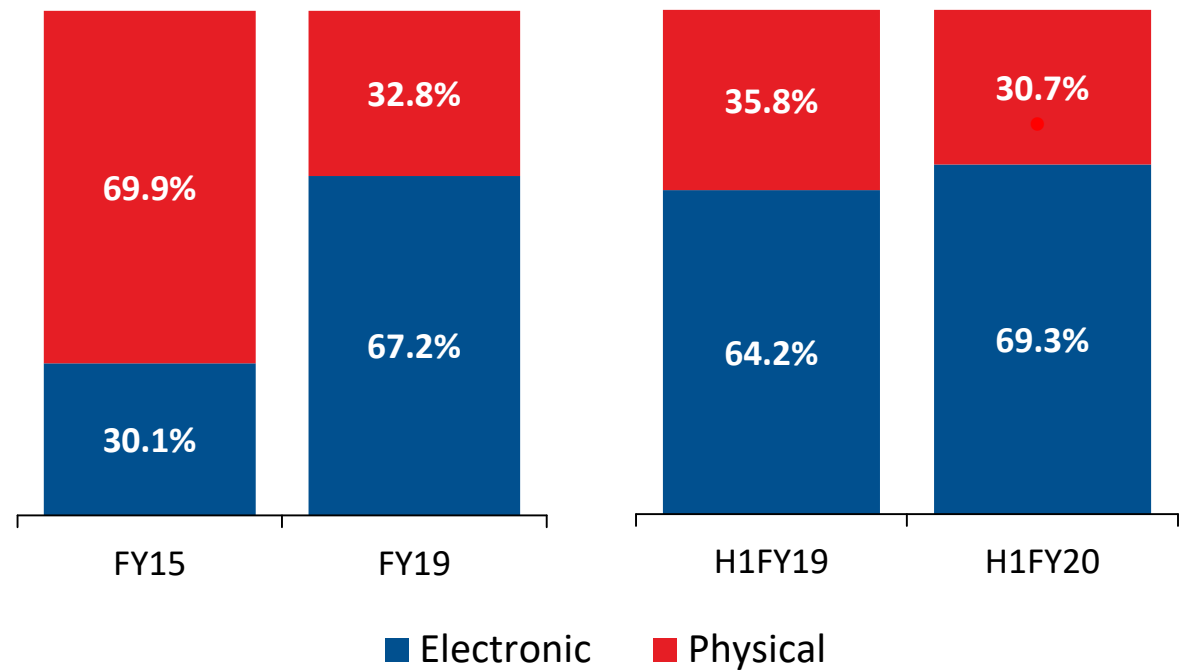
⁽²⁾ As of Sep 30, 2019. Includes one representative office in Dubai;

Strong Digital Presence


Supported by Integrated Online Platform




Electronic and Physical Transaction as % of Total Transactions



 Strong online presence - dedicated separate digital platforms distribution partners and customers

 FY15-19 CAGR of 42% for electronic transactions

 17.2% transaction during FY19 were through HDFC MF Online and mobile application

Financials

Financials Summary – Half Yearly Earnings

(USD mm)

Particulars	HYE FY20	HYE FY19	Change
Income			
Revenue from Operations	141.4	134.3	5%
Other Income	14.0	9.1	53%
Total Income	155.5	143.4	8%
Expenses			
Finance Costs	0.6	-	-
Fees and Commission Expenses	1.7	22.2	-92%
Impairment on Financial Instruments	-	3.0	-
Employee Benefit Expenses	16.2	15.3	6%
Depreciation and Amortization Expenses	3.4	0.8	326%
Other Expenses	12.5	18.6	-33%
Total Expenses	34.5	59.9	-42%
Profit before tax	121.0	83.5	45%
Tax Expenses	27.9	25.5	9%
Profit after tax	93.1	58.0	61%
Other Comprehensive Income (net of tax)	(0.6)	0.0	
Total Comprehensive Income	92.6	58.0	59%

Particulars	HYE FY20	HYE FY19	Change
Revenue from Operations	141.4	134.3	5%
Total Expenses*	34.5	56.9	-39%
Operating Profit from core AM business	107.0	77.4	38%

*Adjusted for non recurring expenses

Financials Summary – Quarterly Earnings

(USD mm)

Particulars	Q2 FY20	Q2 FY19	Change
Income			
Revenue from Operations	70.3	67.8	4%
Other Income	7.2	4.9	46%
Total Income	77.5	72.7	7%
Expenses			
Finance Costs	0.3	-	-
Fees and Commission Expenses	0.1	10.4	-99%
Impairment on Financial Instruments	-	3.0	-
Employee Benefit Expenses	8.2	7.7	6%
Depreciation and Amortization Expenses	1.7	0.4	300%
Other Expenses	6.8	9.3	-27%
Total Expenses	17.1	30.8	-44%
Profit before tax	60.3	41.9	44%
Tax Expenses	8.4	12.9	-35%
Profit after tax	52.0	29.1	79%
Other Comprehensive Income (net of tax)	(0.1)	0.0	
Total Comprehensive Income	51.9	29.1	78%

Particulars	Q2 FY20	Q2 FY19	Change
Revenue from Operations	70.3	67.8	4%
Total Expenses*	17.1	27.8	-38%
Operating Profit from core AM business	53.1	40.0	33%

*Adjusted for non recurring expenses

1. The Company has 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 has recognised provision for income tax for the half year ended September 30, 2019 and re-measured its deferred tax assets basis the rate provided in the said section. The full impact of above mentioned change, amounting to approximately ₹667 mm (USD 9.4 mm) has been recognised in the result for the half year ended September 30, 2019, out of which, approximately ₹343 mm (USD 4.8 mm) pertains to quarter ended June 30, 2019.
2. As at September 30, 2019, the Company holds certain Non Convertible Debentures (NCDs) that are secured by a pledge of listed equity shares. Since these NCDs are classified as financial assets at fair value through profit and loss, any changes in their fair value is reflected as a part of 'Other Income'. The unrealized loss recognized in the results for the half year ended September 30, 2019 on the said NCDs, is ₹249.7 mm (USD 3.5 mm).
3. Effective April 01, 2019, the Company has adopted 'Ind AS 116 - Leases' and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the cumulative adjustment has been taken to retained earnings on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures. The effect of this adoption is not material to the profit for the period and earnings per share.

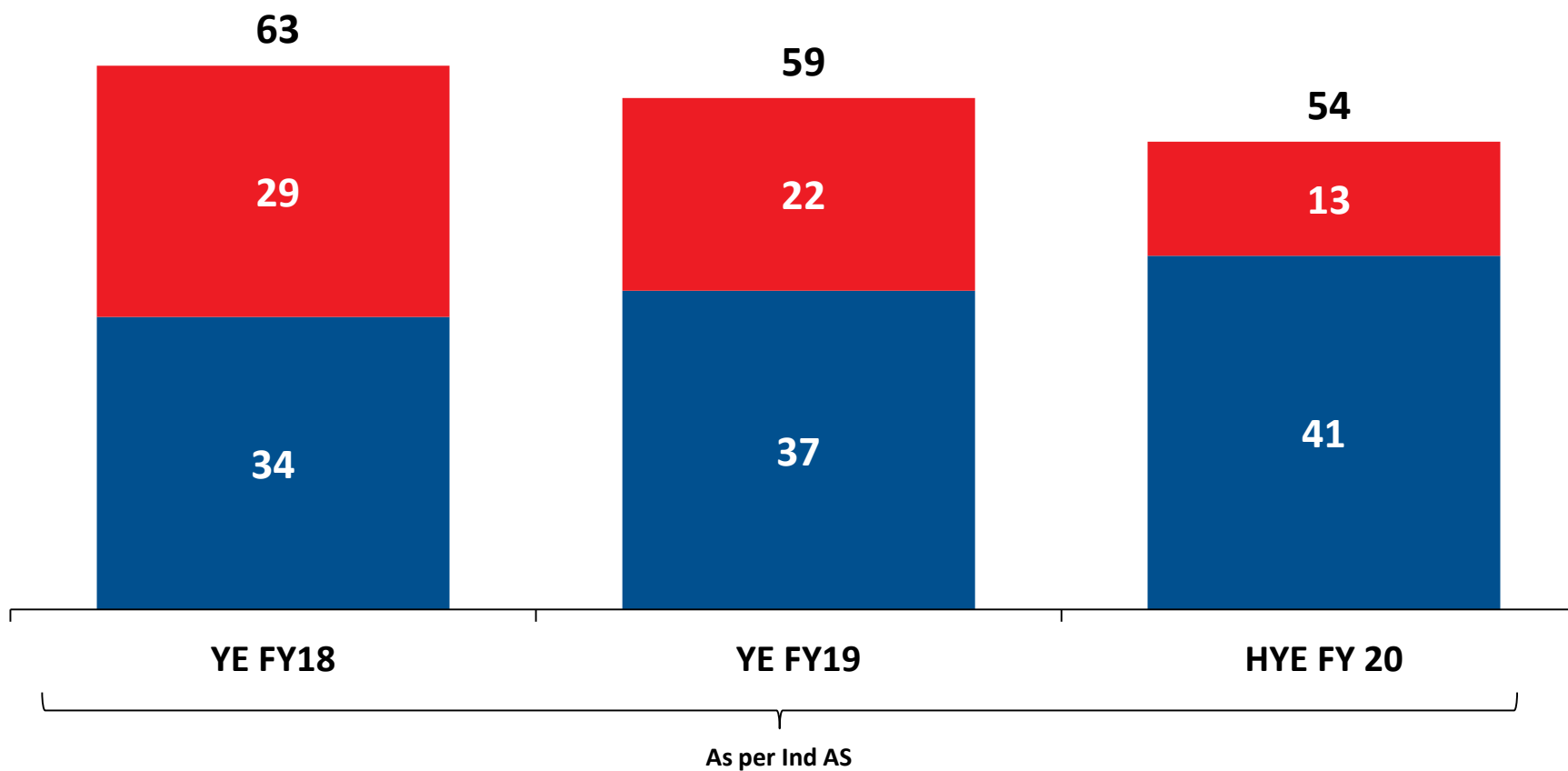
HDFC AMC'S INVESTMENTS IN NON CONVERTIBLE DEBENTURES (NCDs) OF ESSEL GROUP

As disclosed earlier (refer note 2 above), the Company holds certain NCDs of the Essel Group that are secured by a pledge of listed equity shares. The carrying value of these NCDs as at September 30, 2019 was ₹2,756.31 mm (USD 38.89 mm). The Company has received total of ₹1,668.64 mm (USD 23.55 mm) towards part repayment of the said NCDs and interest thereon, from the issuer through sale of certain listed equity shares comprising part of the collateral. The value of the residual pledged listed equity shares as at November 25, 2019 is ₹ 1,439.54 mm (USD 20.31 mm).

Operating Profit Margin

■ Operating Revenue ■ Operating Expenses ■ PBT&OI

(bps of AAUM)

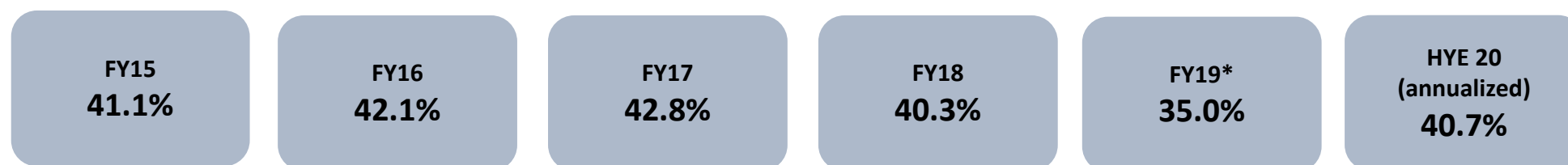


○ Statement of Assets and Liabilities

(USD mm)

Particulars	As at September 30, 2019	As at March 31, 2019
Assets		
Financial Assets	477.5	437.1
Non Financial Assets	39.6	17.8
Total Assets	517.2	454.9
Liabilities And Equity		
Liabilities		
Financial Liabilities	29.0	16.0
Non-Financial Liabilities	6.5	5.6
Equity		
Equity Share Capital	15.0	15.0
Other Equity	466.6	418.3
Total Liabilities And Equity	517.2	454.9

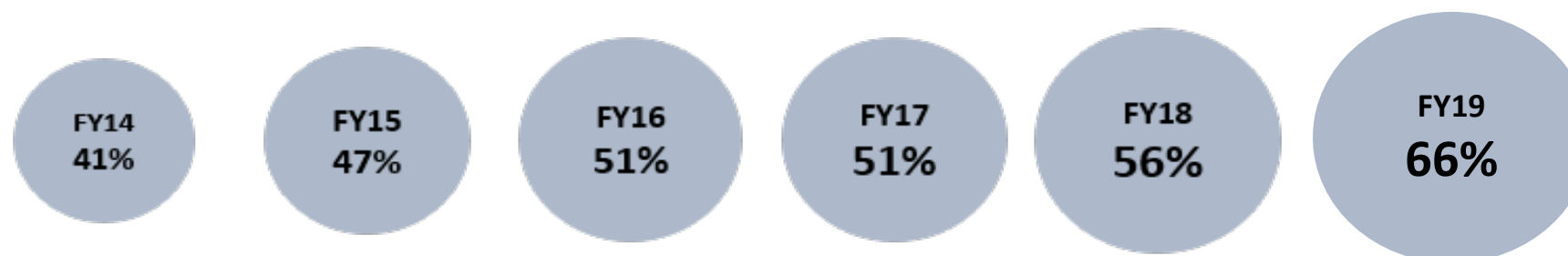
Return on Equity⁽¹⁾



*Return on Equity has reduced in FY 19 due to substantial increase in average networth

Return on Equity from FY15 to FY18 was under Previous GAAP whereas for FY19, it is under Ind AS

Consistently improving Dividend Payout Ratio⁽²⁾



(1) Calculated as Profit After Tax divided by average Net Worth

(2) Including dividend distribution tax. FY19 includes interim dividend of Rs. 12 paid in March 2019 and a final dividend of Rs. 12 proposed by the board on 26th April 2019 and approved by the shareholders at the Annual General Meeting held on July, 16, 2019.

Thank You



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Definitions

AUM refers to Assets Under Management as on end of any given month/period

MAAUM refers to a given month’s average Assets Under Management

QAAUM refers to a given quarter’s average Assets Under Management

AAAUM refers to a given year’s average Assets Under Management

Unless otherwise stated, the above definitions are used for Mutual Fund Assets under management