

**Press Release**

22 October, 2020

**HDFC AMC net profit for the quarter ended September 2020 at ₹3,379 million, a year on year increase of 1% over the adjusted net profit\* for quarter ended September 2019.**

HDFC Asset Management Company Limited (HDFC AMC) declares financial results for the period ended September 30, 2020.

- One of India's largest mutual fund manager with QAAUM market share of 13.6% as on September 30, 2020.
- India's largest Actively Managed Equity Mutual Fund QAAUM, with market share at 14.1% as on September 30, 2020.
- Most preferred choice of individual investors, with a market share of 14.1% of the individual monthly average AUM as of September 2020.
- Profit after tax growth of 12% for the quarter ended September 30, 2020, as against the quarter ended June 30, 2020.

\*Adjusted net profit is net profit for the quarter ended September 2019 adjusted for the following:

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 recognized 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 abovementioned change, amounting to approximately ₹667mm had been recognized in the result for the quarter ended September 30, 2019, out of which, approximately ₹343mm pertained to quarter ended June 30, 2019.

**Mumbai, 22 October, 2020:** HDFC Asset Management Company Limited today reported its financial performance for the quarter ended September 30, 2020.

### **CORPORATE HIGHLIGHTS**

- QAAUM of ₹3,755 billion as of September 30, 2020 compared to ₹3,766 billion as on September 30, 2019, a fall of 0%. 13.6% market share in QAAUM of the mutual fund industry.
- QAAUM in actively managed equity-oriented funds i.e. equity oriented QAAUM excluding index funds stood at ₹1,436 billion as on September 30, 2020 with a market share of 14.1%. The AMC is the largest actively managed equity-oriented mutual fund manager in the country.
- The ratio of equity oriented AUM and non-equity oriented AUM is 41:59 compared to the industry ratio of 39:61.
- 2.98 million Systematic transactions with a value of ₹9.0 billion processed during the month of September 2020.
- Over 65,000 empaneled distribution partners across MFDs, National Distributors and Banks, serviced through a total of 223 branches of which 146 are in B-30 locations. The contribution of B-30 locations to our total monthly average AUM is 14.2%.
- As of September 30, 2020, 55.2% of the company's total monthly average AUM is contributed by individual investors compared to 52.0% for the industry.
- Market share of 14.1% of the individual monthly average AUM in the industry, making the company the most preferred choice of individual investors.
- Total Live Accounts stood at 9.3 million as on 30 September 2020. Unique customers as identified by PAN or PEKRN now stands at 5.5 million as on 30 September 2020 compared to 21.3 million for the industry.

## **FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

Our financial performance in the first quarter had shown a worsening trend due to the effects of the Covid-19 on the markets. While there continues to be uncertainty regarding how the Covid-19 pandemic will ultimately pan out, markets have stabilised and our financial performance this quarter has shown an improvement. This is evident from sequential improvement in our profit parameters and even in our operating margin which has gone up from 34 bps in the quarter ended June 30, 2020 to 37 bps in the quarter ended September 30, 2020.

While we usually compare numbers with similar quarters of the previous year, given the Covid -19 re-set, we believe that sequential comparisons are also equally pertinent and hence have provided both.

- The Operating Profit of the company for the quarter ended September 30, 2020 was ₹3,491 million. While this is 7% lower than the operating profit of ₹3,765 million for the quarter ended September 30, 2019, it is 16% higher than the operating profit of ₹3,006 million for the quarter ended June 30, 2020 which is the trailing quarter.
- Profit before tax for the quarter ended September 30, 2020 was ₹4,628 million. While this is up by 8% than the Profit before tax of ₹4,275 million for the quarter ended September 30, 2019, it is 22% higher than the Profit before tax of ₹3,804 million for the quarter ended June 30, 2020 which is the trailing quarter.
- Profit after tax for the quarter ended September 30, 2020 was ₹3,379 million. While this is 8% lower than the Profit after tax of ₹3,683 million for the quarter ended September 30, 2019, it is 12% higher than the Profit after tax of ₹3,024 million for the quarter ended June 30, 2020 which is the trailing quarter.

Due to change in taxation rates in the quarter ended September 30, 2019, an approximate tax benefit of ₹343 million pertaining to the quarter ended June 30, 2019 was factored in the subsequent quarter. Accordingly, the normalised Profit after tax for the quarter ended September 30, 2019 was ₹3,340 million as compared to ₹3,379 million for the quarter ended September 30, 2020. This results in an increase of 1%.

## **FINANCIAL HIGHLIGHTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020**

- The Operating Profit for the half year ended September 30, 2020 was ₹6,497 million as compared to ₹7,580 million for the half year ended September 30, 2019. This is a decrease of 14%.
- Profit before tax for the half year ended September 30, 2020 was ₹8,432 million as compared to ₹8,574 million for the half year ended September 30, 2019 which resulted in a decrease of 2%.
- Profit after tax for the half year ended September 30, 2020 was down by 3% to ₹6,403 million as compared to ₹6,600 million for the half year ended September 30, 2019

### **About HDFC AMC**

HDFC Asset Management Company Limited (HDFC AMC) is Investment Manager to HDFC Mutual Fund, one of the largest mutual fund in the country. It was incorporated under the Companies Act, 1956, on 10th December 1999 and was approved to act as an Asset Management Company for HDFC Mutual Fund by SEBI on 3rd July 2000. It has other SEBI licenses viz. PMS / AIF.

HDFC AMC has a diversified asset class mix across Equity and Fixed Income/Others. It also has a countrywide network of branches along with a diversified distribution network comprising Banks, Independent Financial Advisors and National Distributors.

#### **For any media queries, contact:**

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