26th Annual Report
2024-25

HDFC
ASSET MANAGEMENT COMPANY LIMITED



Prosperity with purpose.
Wealth creation for generations.

Building towards a Viksit Bharat @ 2047

Prosperity with purpose. Wealth creation for generations.

India is undergoing a powerful transformation, from being a nation of savers to a nation of investors. As more individuals take control of their financial journey, they are not just securing their present but also shaping the future of generations to come. Empowering people to take charge of their financial future is central to realising the vision of a Viksit Bharat.

Over the years, we have witnessed a growing shift towards financial awareness and disciplined investing. However, a significant portion of the population still remains underserved, highlighting the need for continued financial inclusion and broader access to wealth creation opportunities.

At HDFC AMC, we are committed to bridging this gap by being a one-stop destination for investment solutions that enable wealth creation and financial growth. Over the past 25 years, we have built a strong foundation anchored by a diversified product portfolio, disciplined investment processes, widespread physical presence and robust digital infrastructure. We have consistently empowered investors by providing them with the tools and insights necessary to make informed decisions and invest with confidence.

Our focus on prosperity through wealth creation across generations reinforces our commitment to pursuing our mission—to be the wealth creator for every Indian. With renewed conviction, we remain dedicated to contributing to India's growth, responsibly paving the way for a financially inclusive nation.

Performance Highlights



Customers

1.32 cr
Unique Investors

24%
of mutual fund investors have chosen us

₹7,54,000+ cr
Closing AUM



Shareholders

₹2,461 cr
Profit After Tax

₹90
Dividend Per Share
(78% Payout Ratio)



Network & Reach

280
Offices
(26 new offices opened in FY 24-25)

95,000+
Distribution Partners



Planet & Society

₹34.6 cr
CSR spent

3,500+
Investor Awareness Programme (IAP)

Nurture Nature 4.0
Water conservation through revival of lake

E-waste and battery waste
processed in an environment friendly manner



Our People

1,618*
Employees

73,500+
Training Hours

28%*
Women in Workforce

Great Place To Work. Certified FEB 2025–FEB 2026 INDIA
Employer of Choice

*Permanent Employees

Contents

Corporate Overview

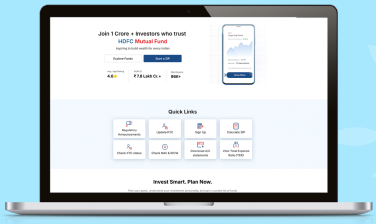
3 Key Terminologies
4 About Us
6 Our Journey
8 Suite of Offerings
10 Our Presence
12 Investment Philosophy
14 Performance Snapshot
16 Chairman's Message
18 MD & CEO's Message
22 Digitisation
24 Investor Outreach
26 Marketing Initiatives
29 ESG Approach
36 Our Board of Directors
45 Our Leadership Team
46 Our Investment Team

Statutory Reports

48 Management Discussion and Analysis
70 Directors' Report
92 Business Responsibility and Sustainability Report
134 Independent Assurance Statement
137 Corporate Governance Report

Financial Statements

160 Standalone Financial Statements
234 Consolidated Financial Statements



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Disclaimer

This document may contain statements about expected future events and financials of the Company which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. However, there is no guarantee that the assumptions, predictions, and other forward-looking statements will always prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future events and results to differ materially from those expressed in such forward-looking statements.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

For details on Mutual Fund AUM as on March 31, 2025, click here. For historical Mutual Fund AUM, click here.

Key Terminologies

Asset management companies operate on a distinct business model, raising funds from investors and deploying them strategically. This section aims to simplify key industry metrics that are frequently used.

Asset Under Management AUM

It is the total value of all investments managed by the mutual fund. AUM can be at a scheme level or a plan level. For a mutual fund as a whole, AUM represents value of total investments across all schemes.

Systematic Investment Plan SIP

A mutual fund gives investors an option of either investing lump sum or through a SIP, breaking the amount into periodic investments over a long period. For example, if an investor wants to invest ₹60,000 annually in a mutual fund scheme and does not have the lump sum amount available, he/she can opt for an SIP of ₹5,000 every month.

Actively Managed Funds

These funds provide fund manager the flexibility to choose investment portfolio, within the broad parameters of the investment objective of the scheme.

Asset Allocation

This refers to the investment strategy that aims to balance risk and rewards by allocating capital between different asset classes such as equity, debt, etc.

Systematic Withdrawal Plan SWP

Through this facility, the investor receives a pre-determined amount on a periodic basis from the invested scheme. Investors who need regular income, like retirees, often go for this option. The payments are usually given from the scheme's dividend income or capital gain distribution.

Passive Funds

These funds invest on the basis of a specified index; whose performance it seeks to track.

Net Asset Value NAV

It is the price of each unit of a mutual fund scheme. Typically, new mutual fund schemes are priced at ₹10 per unit during the New Fund Offer (NFO) period. Consequently, the NAV will change depending on the performance of the scheme.

Systematic Transfer Plan STP

This plan can be used in volatile markets to gradually transfer or switch small amounts of investments at chosen intervals (days/month/quarter) from one scheme to another scheme of a mutual fund.

Alpha

Alpha measures the performance of the investment in comparison to a suitable market index. It is a measure of the fund manager's performance.

New Fund Offer NFO

It refers to the launch of a new Mutual Fund scheme.

This is when the scheme is offered to public for the first time.

Switch

Switch refers to transferring investments from one mutual fund scheme to another within the same fund house.

Total Expense Ratio

The expense ratio of a mutual fund is calculated by dividing the total expenses the fund has incurred by its AUM. A mutual fund deducts these expenses from the NAV before declaring it on a daily basis.

About Us

A Legacy of Trust, A Future of Wealth

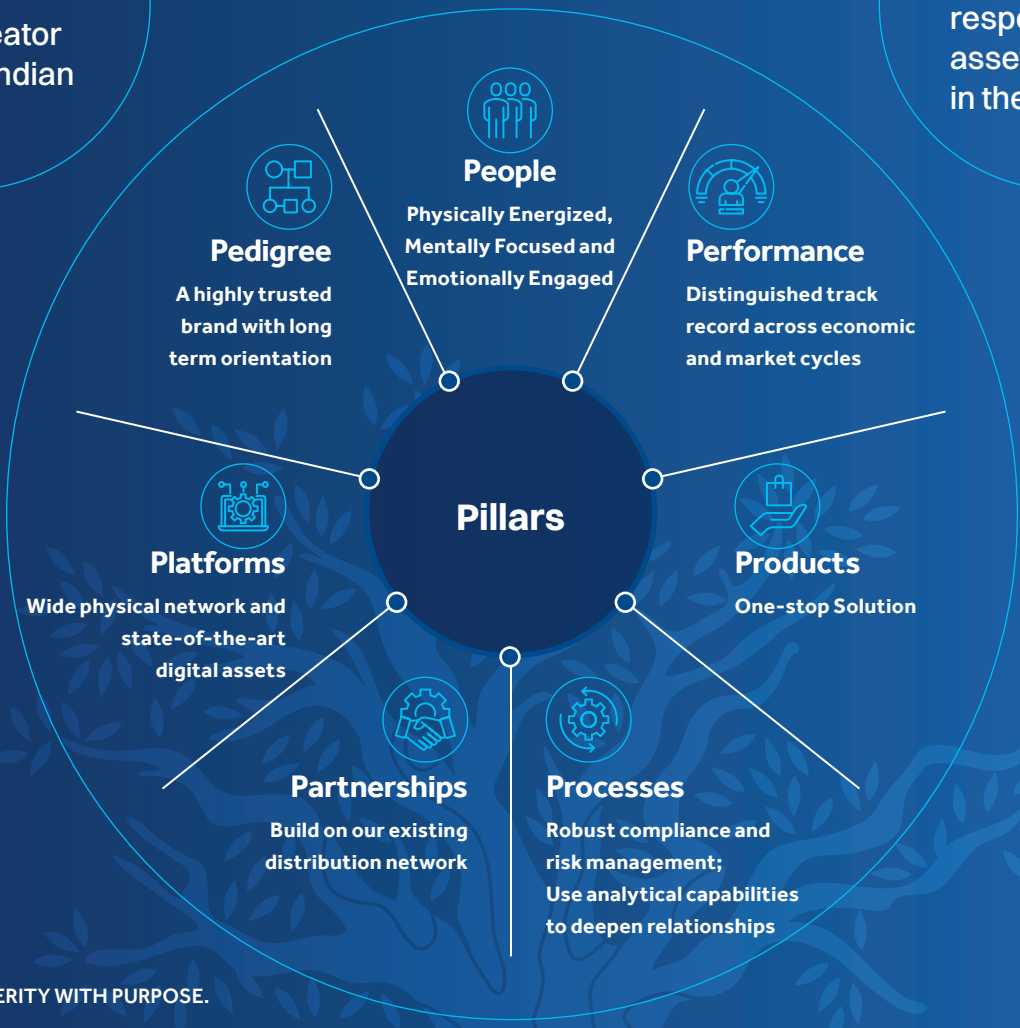
Our journey has been built on a foundation of transparency, sound governance and a commitment to long-term value creation. Over the past two decades, we have grown our business with a sharp focus on quality, scale and profitability, establishing ourselves as one of India's leading asset managers. We offer a comprehensive suite of investment solutions, tailored to the evolving needs of our customers.

Mission

To be the wealth creator for every Indian

Vision

To be the most respected asset manager in the world



Our Promoter Shareholder

Our promoter shareholder is HDFC Bank, which owns a 52.47% stake (as on March 31, 2025).

HDFC Bank

HDFC Bank is India's largest private sector bank by balance sheet size as on March 31, 2025. It was incorporated in August 1994 by the erstwhile Housing Development Finance Corporation Limited (HDFC Ltd.) which was amongst the first financial institutions in India to receive an 'in-principle' approval from the Reserve Bank of India to set up a bank in the private sector. It started off as a transaction bank and subsequently forayed into the entire gamut of asset, liability and payments products providing banking solutions to a larger customer base of retail, MSME and corporate segments.

On July 1, 2023, HDFC Ltd. merged with and into HDFC Bank, enabling the Bank to add mortgages to its suite of products. This also brought broader financial services institutions, including HDFC Life, HDFC AMC and HDFC Ergo as subsidiaries under the HDFC Bank Group, in addition to the existing HDFC Securities and HDB Financial Services.

As of March 31, 2025, the Bank's distribution network stood at 9,455 branches and 21,139 ATMs spread across 4,150 cities/towns. About 51% of these branches are in semi-urban and rural locations.

The Bank's international operations comprise five branches, located in Hong Kong, Bahrain, Dubai, Singapore and an IFSC Banking Unit in Gujarat International Finance Tec-City. Additionally, it has four representative offices in Kenya, Abu Dhabi, Dubai and London respectively, catering to Non-Resident Indians and Persons of Indian Origin.

Our Journey

1999-2005
Early Years and Foundation

1999
HDFC AMC was incorporated

2000
HDFC MF was registered with SEBI

Launched 3 NFOs, raising ₹550 Crore

2002
Expanded offerings with launch of Index Funds

2003
Acquired Zurich Mutual Fund schemes

2006-2015
Expanding Scale and Reach

2006
Expanded team to 100 members

2009
Crossed ₹1 Lakh Crore in Assets Under Management (AUM)

2011
Launched HDFC Debt Fund for Cancer Cure

2014
Acquired Morgan Stanley Mutual Fund Schemes

2016-2020
Accelerating Growth

2016
Crossed ₹2 Lakh Crore AUM

2018
Listed on Indian stock exchanges - BSE & NSE

AUM reached ₹3 Lakh Crore

2020
Surpassed ₹4 Lakh Crore AUM mark

2021-2023
Expanding Offerings

2021

Enhanced technology and digital infrastructure to drive scale, security and enrich investor engagement

2022

Forayed into Alternates Business & Incorporated Wholly Owned Subsidiary in GIFT City

2023

Crossed ₹5 Lakh Crore AUM

Became signatory to UN PRI

2024-2025
Strengthening Market Leadership

2024

Crossed 1 Crore unique investors

100+ products

Opened 24 new offices in a single day

2025

₹7.5 Lakh Crore AUM

Preferred choice for nearly one-fourth of India's mutual fund investors

95,000+ distribution partners

Added 25 new offices in a single day taking our network to 280 offices

& the journey continues....

Suite of Offerings

Umbrella of Investment Solutions

HDFC AMC offers a wide range of mutual funds, delivered through both active and passive strategies across asset classes, including equity, fixed income, hybrid and multi-asset solutions. The Company extends portfolio management services and alternative investment funds to cater to diverse customer needs.

Our Platforms

Mutual Funds
Active | Passive

HDFC MUTUAL FUND – BHAROSA APNO KA
Trusted for 20 – INDEX SOLUTIONS

Alternatives
AIF | PMS

HDFC ALTERNATIVES
HDFC PORTFOLIO MANAGEMENT

International Business
WOS in GIFT City

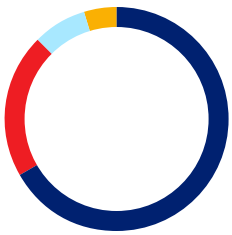
HDFC AMC International (IFSC) Ltd. – HDFC INTERNATIONAL – A subsidiary of HDFC AMC Ltd.

MF Schemes

46	32	2	25	105
Equity-oriented	Debt-oriented	Liquid	Others	Total

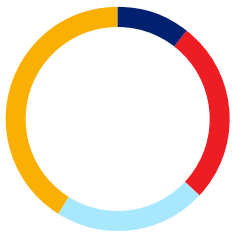
Equity-oriented includes equity-oriented hybrid and equity-oriented Index funds; Debt-oriented includes Debt-oriented Index Funds and money market funds. 'Others' includes ETF, Arbitrage and Fund of Funds investing overseas.

Segment-wise Break-up of Total AUM (%)



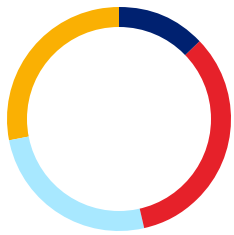
Equity-oriented	66.8
Debt-oriented	20.7
Liquid	7.9
Others	4.6

Channel-wise Break-up of Total AUM (%)



Banks	10.7
MFDs	26.5
National Distributors	21.9
Direct	40.9

Channel-wise Break-up of Equity-oriented AUM (%)



Banks	13.0
MFDs	33.6
National Distributors	25.6
Direct	27.8

Note: As of March 31, 2025

Our offerings are designed to meet the varied needs of a large and diverse customer base, spanning individual investors, institutions and distribution partners. Through this breadth of solutions, we aim to contribute meaningfully to our customers' financial well-being and support the creation of sustainable, long-term wealth.

Mutual Fund Product Suite

Equity

- HDFC Banking & Financial Services Fund
- HDFC Business Cycle Fund
- HDFC Defence Fund
- HDFC Dividend Yield Fund
- HDFC ELSS Taxsaver Fund
- HDFC Flexi Cap Fund
- HDFC Focused 30 Fund
- HDFC Housing Opportunities Fund
- HDFC Infrastructure Fund
- HDFC Large and Mid Cap Fund
- HDFC Large Cap Fund
- HDFC Manufacturing Fund
- HDFC Mid-Cap Opportunities Fund
- HDFC MNC Fund
- HDFC Multi Cap Fund
- HDFC Non-Cyclical Consumer Fund
- HDFC Pharma and Healthcare Fund
- HDFC Small Cap Fund
- HDFC Technology Fund
- HDFC Transportation and Logistics Fund
- HDFC Value Fund

Solution Oriented

- HDFC Childrens Fund
- HDFC Retirement Savings Fund - Equity Plan
- HDFC Retirement Savings Fund - Hybrid - Debt Plan
- HDFC Retirement Savings Fund - Hybrid - Equity Plan

Fund of Funds

- HDFC Asset Allocator Fund Of Funds
- HDFC Developed World Indexes Fund of Funds
- HDFC Gold ETF Fund of Fund
- HDFC Income Plus Arbitrage Active FOF
- HDFC Silver ETF Fund of Fund

Debt

- HDFC Banking and PSU Debt Fund
- HDFC Charity Fund For Cancer Cure
- HDFC Corporate Bond Fund
- HDFC Credit Risk Debt Fund
- HDFC Dynamic Debt Fund
- HDFC Floating Rate Debt Fund
- HDFC Gilt Fund
- HDFC Income Fund
- HDFC Liquid Fund
- HDFC Long Duration Debt Fund
- HDFC Low Duration Fund
- HDFC Medium Term Debt Fund
- HDFC Money Market Fund
- HDFC Overnight Fund
- HDFC Short Term Debt Fund
- HDFC Ultra Short Term Fund
- Fixed Maturity Plans

ETF

- HDFC BSE 500 ETF
- HDFC BSE SENSEX ETF
- HDFC Gold ETF
- HDFC NIFTY 100 ETF
- HDFC Nifty 1D Rate Liquid ETF - Growth
- HDFC NIFTY 50 ETF
- HDFC NIFTY Bank ETF
- HDFC NIFTY Growth Sectors 15 ETF
- HDFC NIFTY IT ETF
- HDFC NIFTY Midcap 150 ETF
- HDFC NIFTY NEXT 50 ETF
- HDFC NIFTY Private Bank ETF
- HDFC NIFTY PSU BANK ETF
- HDFC NIFTY Smallcap 250 ETF
- HDFC NIFTY100 Low Volatility 30 ETF
- HDFC NIFTY100 Quality 30 ETF
- HDFC NIFTY200 Momentum 30 ETF
- HDFC NIFTY50 Value 20 ETF
- HDFC Silver ETF

Hybrid

- HDFC Arbitrage Fund
- HDFC Balanced Advantage Fund
- HDFC Equity Savings Fund
- HDFC Hybrid Debt Fund
- HDFC Hybrid Equity Fund
- HDFC Multi - Asset Fund

Index

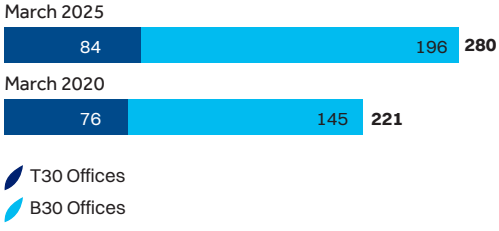
- HDFC BSE 500 Index Fund
- HDFC BSE Sensex Index Fund
- HDFC NIFTY 100 Equal Weight Index Fund
- HDFC NIFTY 100 Index Fund
- HDFC Nifty 50 Index Fund
- HDFC Nifty India Digital Index Fund
- HDFC Nifty Large Midcap 250 Index Fund
- HDFC NIFTY Midcap 150 Index Fund
- HDFC NIFTY Next 50 Index Fund
- HDFC NIFTY Realty Index Fund
- HDFC NIFTY Smallcap 250 Index Fund
- HDFC Nifty Top 20 Equal Weight Index Fund
- HDFC NIFTY100 Low Volatility 30 Index Fund
- HDFC Nifty100 Quality 30 Index Fund
- HDFC NIFTY200 Momentum 30 Index Fund
- HDFC NIFTY50 Equal Weight Index Fund
- HDFC Nifty500 Multicap 50:25:25 Index Fund
- HDFC NIFTY G- Sec Apr 2029 Index Fund
- HDFC Nifty G- Sec Jun 2027 Index Fund
- HDFC Nifty G-sec Dec 2026 Index Fund
- HDFC Nifty G-Sec July 2031 Index Fund
- HDFC NIFTY G-sec Jun 2036 Index Fund
- HDFC Nifty G-Sec Sep 2032 Index Fund
- HDFC Nifty SDL Oct 2026 Index Fund
- HDFC NIFTY SDL Plus G-Sec Jun 2027 40:60 Index Fund

Our Presence

Widening Our Reach

We have expanded our footprint in FY 24-25 by opening 26 new offices, further strengthening our presence.

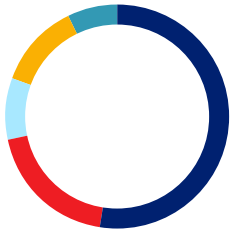
Physical Footprint – Offices



26

New Offices added during FY 24-25

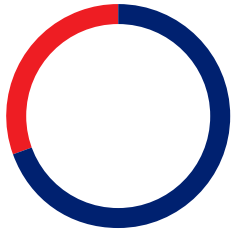
AUM by Geography (%)



Top 5 Cities	52
Next 10 Cities	19
Next 20 Cities	9
Next 75 Cities	12
Others	7

% of Total AUM as on March 31, 2025

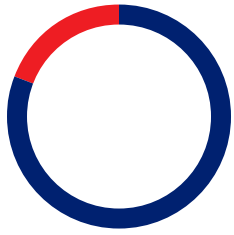
Investor Base Break-up (%)



Individual MAAUM*	69.6
Non-individual MAAUM*	30.4

*Monthly Average AUM - March 2025

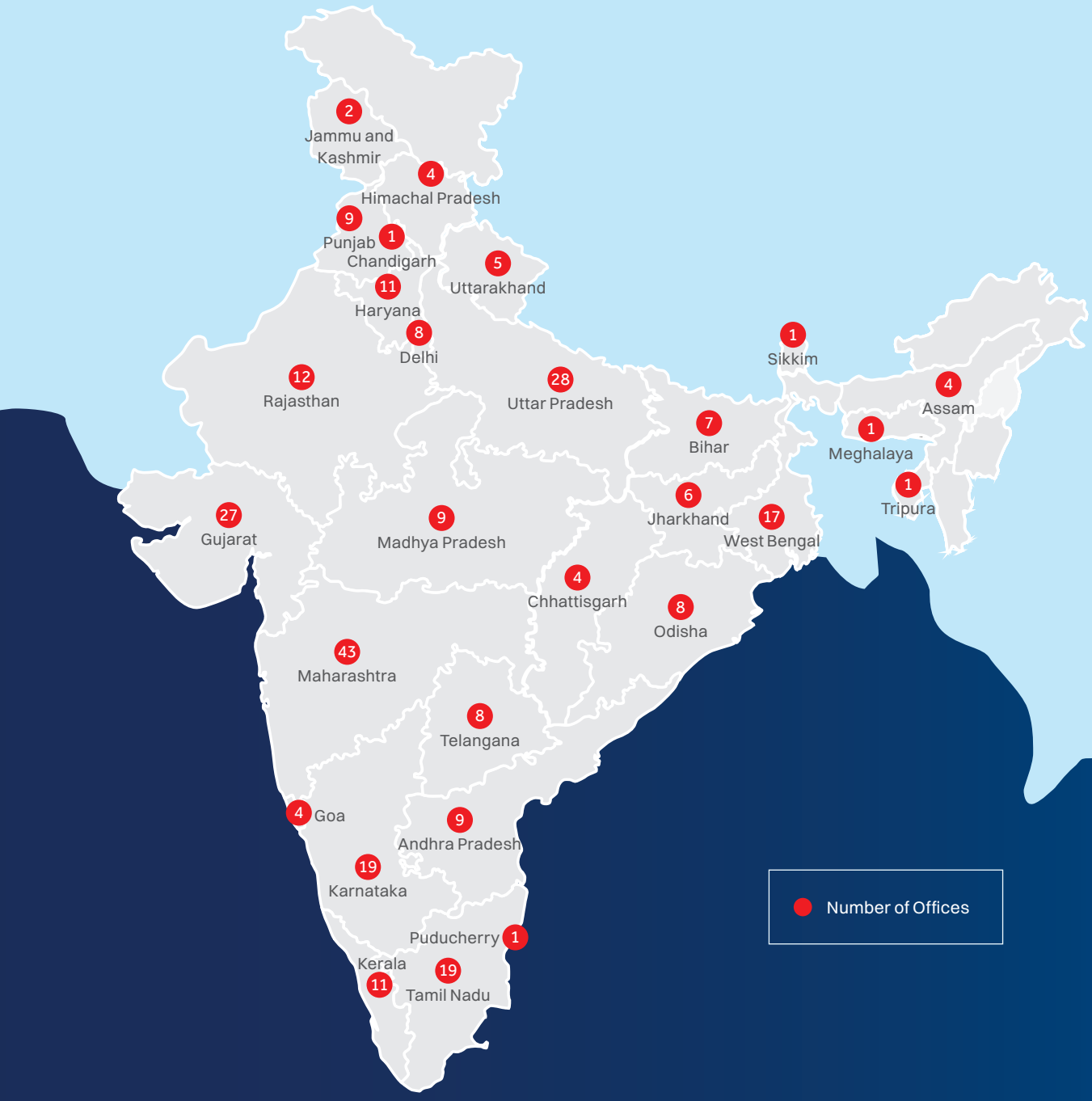
Geography-wise Break-up (%)



T30 - MAAUM*	80.9
B30 - MAAUM*	19.1

T30 - Top 30 locations in India
B30 - Beyond the top 30 locations in India
*Monthly Average AUM - March 2025

Pan-India Network



2.33 Cr
Live accounts

1,618^
Employees

280*
Offices

95,000+
Distribution Partners

^Permanent Employees | *includes Representative Office in Dubai | Map not to scale. For illustrative purpose only.

Investment Philosophy

Delivering Long-Term, Risk-Managed Outcomes

Our investment approach is anchored in a disciplined, research-led framework that identifies opportunities across asset classes while maintaining a strong focus on risk management. We aim to construct resilient portfolios designed to navigate market volatility and deliver long-term returns for our investors.

Investment Team

33

Analysts and Investment Team

585 years

Combined Work Experience

Equity-oriented Schemes

Equity-oriented schemes constituted 66.8% of our total AUM as of March 31, 2025. Our investments in equities are driven by fundamental research with a medium to long-term view. Our investment philosophy for equity-oriented schemes is based on the belief that over time, stock prices reflect their intrinsic values. Our research efforts are predominantly bottom-up focused, keeping in mind the economic outlook and macro-economic conditions. The emphasis is on key drivers and calibrating risks, taking into account both quantitative (growth prospects, key variables, analysis of P&L statements, Balance Sheet and Cash flows, etc.) and qualitative (management quality, corporate governance, track record, competitive advantage, feedback from dealers, customers and experts, etc.) factors. At the same time, we aim to acquire businesses available at reasonable valuations and hold onto them for an extended time frame.

With a view to offer choice of diversity of styles to our customers and to mitigate business risk, we have built capabilities by adding appropriate resources during last few years. While we already have products that focus on different market capitalisations, we feel diversity in our investment style and approach will be in the long-term interest of our customers and the business. We will remain firmly focused on fundamentals-led research and will continuously improve our understanding of the investment universe.

Debt-oriented Schemes

The investments in fixed income securities by our debt schemes are guided by our investment philosophy of Safety, Liquidity and Returns (SLR), generally prioritised in that order. Given the limited liquidity of credit markets in India, we believe focus on liquidity, especially in open-ended schemes, is of paramount importance. Our liquid and debt- oriented schemes constituted 28.6% of our total AUM as of March 31, 2025. All investments are made in line with the respective Scheme Information Document (SID) and in permitted instruments such as government securities, non-convertible debentures, corporate bonds, asset-backed securities, money market instruments, etc. Our Credit Risk Assessment framework lays emphasis on the Four C's of Credit – Character of management, Capacity to pay, Collateral pledged to secure debt and Covenants of debt – wherever applicable.

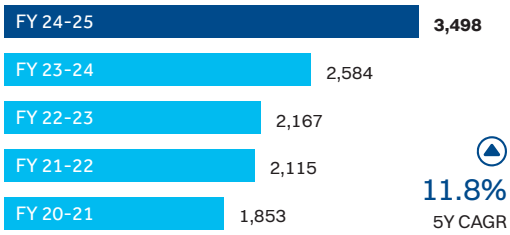
Further, we have an internal framework to determine absolute and relative investment exposure limits for individual credits. This approach, along with a good understanding of credits, has helped us avoid a majority of the stress cases faced by the mutual fund industry over the past decade. Apart from the aforesaid, we aim to add value in fixed income investments by managing the portfolio driven by our medium- to long-term view on interest rates, yield curve and spreads across tenors, ratings, sectors, and various fixed income segments (corporate bonds, GSECs, CPs, CDs, etc.).

Performance Snapshot

Key Performance Indicators

Revenue from Operations (₹ in Crore)

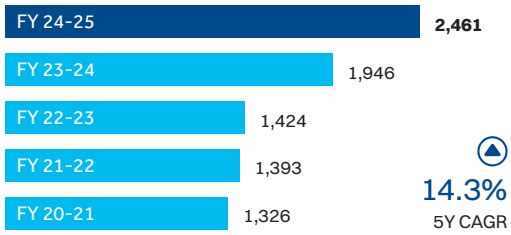
3,498



11.8%
5Y CAGR

Profit After Tax (₹ in Crore)

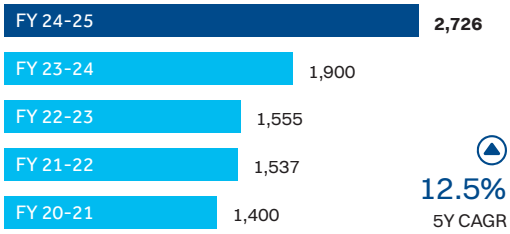
2,461



14.3%
5Y CAGR

Operating Profit (₹ in Crore)

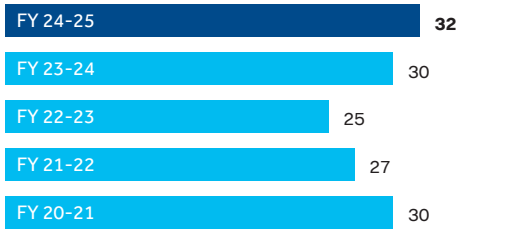
2,726



12.5%
5Y CAGR

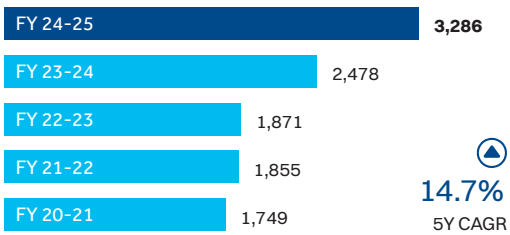
Return on Equity (%)

32



Profit Before Tax (₹ in Crore)

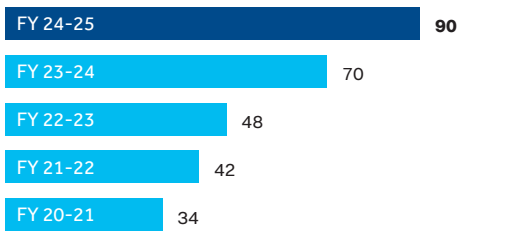
3,286



14.7%
5Y CAGR

Dividend Per Share (₹)

90



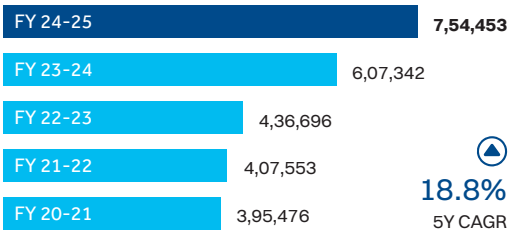
Notes:

1. FY 19-20 has been taken as the base year for CAGR calculation. Revenue from Operations, Operating Profit, Profit Before Tax and Profit After Tax in FY 19-20 were ₹2,003 Crore, ₹1,513 Crore, ₹1,653 Crore and ₹1,262 Crore, respectively.

2. Dividend for FY 24-25 is recommended by the Board of Directors on April 17, 2025 which is subject to shareholders' approval at the ensuing Annual General Meeting.

Assets Under Management (₹ in Crore)

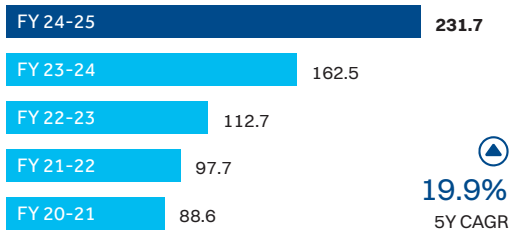
7,54,453



18.8%
5Y CAGR

Live Individual Accounts (in Lakh)

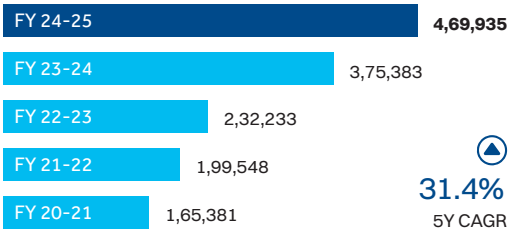
231.7



19.9%
5Y CAGR

Active Equity-oriented AUM (₹ in Crore)

4,69,935



31.4%
5Y CAGR

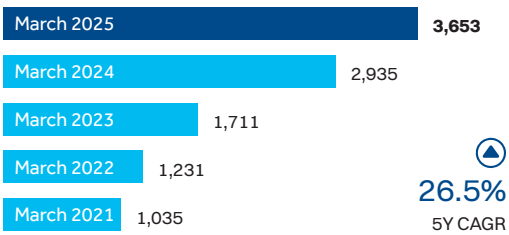
Digital Transactions (% of total transactions)

94



Systematic Transactions (₹ in Crore)

3,653



26.5%
5Y CAGR

Individual's Share in AUM (% of monthly average AUM)

69.6



Notes:

1. All data is as of March for each year, unless stated otherwise.
2. March 2020 has been taken as the base for CAGR calculation. Assets under management and actively managed equity-oriented AUM as of March 2020 were ₹3,19,090 Crore and ₹1,20,050 Crore, respectively
3. Assets Under Management (AUM) refers to month-end closing AUM.
4. Actively managed equity-oriented AUM includes all solution oriented schemes/portfolios and excludes index funds and ETFs.

Chairman's Message

A Journey of Wealth Creation



Dear Shareholders,

I present to you our Annual Report for FY 24-25. It has been a transformative year, characterised by steady economic momentum, growing investor participation and meaningful progress for the mutual fund industry at large.

Deepak S. Parekh
Chairman

The year also marked a historic milestone globally, the centenary of mutual funds. For 100 years, mutual funds have been at the heart of wealth creation, fundamentally reshaping how individuals invest and grow their savings. Over the course of my association with mutual funds, both internationally and domestically, I have observed a significant evolution in the way people engage with mutual funds. What has remained constant is the role of mutual funds in equipping individuals with the tools, confidence and access to take charge of their financial future.

As mutual funds complete a century globally, we at HDFC AMC are humbled to mark our own 25-year milestone, a journey built on trust, responsibility and a shared purpose with millions of investors. As we reflect on this milestone, we remain deeply committed to empower individuals across the country on their path to financial well-being.

India's Growth Story: Resilience Amid Global Uncertainties

Amidst escalating global trade tensions and persistent geopolitical challenges, the Indian economy has continued to demonstrate remarkable resilience and strong growth momentum. According to the NSO's Second Advance Estimates, India's GDP is projected to grow by 6.5% in FY 24-25. This positions India as one of the fastest-growing major economies in the world. The growth is underpinned by robust domestic consumption, increased government spending on infrastructure and the ongoing digital transformation across sectors. Meanwhile, the Reserve Bank of India's strategic interventions have played a pivotal role in managing liquidity, anchoring inflation and safeguarding macroeconomic stability.

The January 2025 edition of the World Bank's Global Economic Prospects report projects India's economy to grow at a steady rate of 6.7% in both FY 25-26 and FY 26-27, significantly outpacing global and regional peers. This underscores India's resilience and growing economic significance. While global market volatility and trade disruptions present risks, India remains structurally well-positioned for sustained growth. The country's economic outlook continues to be strengthened by robust fundamentals, strategic reforms and the entrepreneurial spirit of its people.

The Union Budget 2025 has once again achieved a thoughtful balance, reinforcing fiscal discipline while promoting an inclusive growth. Measures like the reduction in personal income tax rates are expected to spur consumption and savings, and energize the broader economy. For our industry, this presents an opportunity to guide more households toward productive financial choices.

As India progresses towards its vision of becoming a developed nation, Viksit Bharat by 2047, the 100th year of independence, we at HDFC AMC remain committed to deepening financial awareness, nurturing long-term investing and expanding access to investment opportunities. In doing so, we aim to empower individuals to not just witness, but to actively shape the nation's economic future.

Mutual Fund Industry: Deepening Participation, Widening Impact

The mutual fund industry in India has evolved remarkably over the past few decades, transforming into a dynamic, competitive marketplace offering a diverse range of investment solutions. The growing popularity of SIPs made mutual funds significantly more accessible to retail investors by enabling them to invest small amounts regularly. The proliferation of digital platforms and mobile apps further revolutionised the landscape, making investing more seamless, transparent and user-friendly.

FY 24-25 marked a landmark year for the mutual fund industry, with nearly 1 Crore new investors joining within a single year. While this achievement reflects the growing trust in our industry, it is still just the beginning of a much larger journey of financial inclusion. In a country of over 140 Crore people and more than 73 Crore Permanent Account Numbers (PAN), the mutual fund investor base stands at just over 5 Crore, highlighting the significant headroom for growth. This under-penetration presents a compelling opportunity to broaden access, deepen engagement and bring the benefits of long-term investing to millions more households across India.

I must commend SEBI for its continuing efforts towards market development and investor protection. SEBI's move to reduce the minimum SIP amount to just ₹250 has made investing significantly more accessible. This progressive step encourages financial discipline and promotes long-term wealth creation, particularly among first-time investors, low-income households and those hesitant to start with larger sums. By lowering the entry barrier, we are opening the doors of capital markets to millions more making investing a habit for the masses.

Our success has also gained global recognition. During the recent visit of the Indonesian President Prabowo Subianto to New Delhi, we witnessed the signing of an MoU between AMFI and the Indonesian fund industry body, Asosiasi Manajer Investasi Indonesia (AMII). This collaboration embodies the spirit of Vasudhaiva Kutumbakam, 'the world is one family', by sharing India's growth story and best practices with the world, while positioning India as an attractive global investment destination.

Together Towards Tomorrow

I extend my sincere gratitude to our shareholders, customers, employees, service providers and distribution partners for their continued trust and commitment. I would also like to acknowledge the invaluable support and guidance of the RBI, SEBI and AMFI, whose efforts continue to strengthen the foundation of the mutual fund industry. It is through our collective resolve and shared purpose that we continue to deliver sustainable growth and contribute meaningfully to the financial empowerment of every Indian household.

Together, let us continue to build on this momentum and make mutual fund investing a way of life for every Indian household, contributing not only to individual prosperity but to the nation's long-term financial resilience. With continued advancements in technology, product innovation and investor education, mutual funds will remain a preferred choice for wealth creation and inclusive financial progress.

As we look ahead, we remain focused on building a future where every Indian, regardless of their geography or income level, has the opportunity to participate meaningfully in India's economic progress through informed investing.

Deepak S. Parekh
Chairman

MD and CEO's Message

A Legacy of Trust, A Future of Possibilities



Dear Shareholders,

I am pleased to share our annual reflections and outlook going forward. With renewed ambition, we continue to focus on our core purpose: to be the wealth creator for every Indian.

Navneet Munot
MD & CEO

A Journey of Growth & Wealth Creation

India's economy exhibited resilience amidst a challenging global environment. Our mutual fund industry continues its growth story, driven by increasing investor participation, greater digital adoption, and a growing preference for professionally managed investments. FY 24-25 was a significant year, with about 1 Crore new investors starting their mutual fund investment journey. India is at the early stage of a profound transformation, a 'nation of savers' to a 'nation of investors'.

The industry's total Assets Under Management (AUM) crossed ₹65 Lakh Crore, marking an increase of over ₹10 Lakh Crore. Actively managed equity-oriented AUM crossed ₹36 Lakh Crore, supported by record net flows of about ₹5 Lakh Crore. Monthly Systematic Investment Plans (SIP) inflows reached ₹26,000 Crore. Despite recent market volatility, individual investors have demonstrated remarkable resilience by continuing their SIP investments, a testament to the growing maturity and discipline among investors.

After three years of muted or negative inflows, FY 24-25 witnessed a modest recovery in debt and liquid fund investments. AMFI drove investor awareness through a 'Fixed Income Sahi Hai' campaign. The industry has also requested the government to consider more favourable tax treatment for debt funds, a change that would encourage more investors to use these funds for retirement security while strengthening India's bond market.

Retirement planning is another focus area for industry's investor awareness drive, emphasising the importance of long-term wealth creation through systematic investments and appropriate asset allocation. HDFC AMC has been at the forefront of the industry's efforts on investor education, with our 'ZindagiKeLiyeSIP' campaign drawing a powerful parallel between systematic investing and how we build every other aspect of our lives step by step, with discipline and purpose. Our 'SIP Saheli' initiative empowers women through financial literacy masterclasses in regional languages, helping them take control of their investment journeys. Through programmes like 'Laxmi for Laxmi,' where women distributors share investment insights, and other specialised initiatives for women investors, we are committed to bridging the gender gap in financial awareness and independence. We are equally focused on engaging the youth of our nation who are digitally savvy, aspirational and entrepreneurial through initiatives that resonate with their evolving financial needs and ambitions.

Enduring Legacy, Expanding Ambitions

During the year, we reached several key milestones that reinforced our leadership in the industry, as we continued to build our business around the pillars of scale, quality and profitability. We offer over 100 products and have crossed ₹7.5 Lakh Crore in overall AUM, with ₹5 Lakh Crore in equity-oriented AUM. We onboarded over 35 Lakh new investors during the year taking our total investor count to over 1.3 Crore. We have doubled our investor base over the last two years. Our monthly systematics transactions crossed 1 Crore in count, a growth of 40% over previous year. Our Profit After Tax grew by 26% year-on-year to reach ₹2,461 Crore.

Our rich investment expertise and style diversity enable us to navigate diverse market environments and deliver industry-leading performance. This year, HDFC Flexi Cap Fund completed its 30th anniversary, our second fund to achieve this milestone. Our long-term track record of alpha generation through various market cycles and across generations is testament to the strength of our time-tested investment philosophy and sound risk management.

While maintaining our leadership in actively managed funds, we continue to expand our range of investment solutions to meet investors' diverse needs. Our 'Index solutions' brand grew its offerings, finishing the year with a portfolio of 44 ETFs and Index Funds, and AUM exceeding ₹57,000 Crore.

Our foray into alternatives has also progressed well through the year. We closed our first Category II AIF Fund of Funds and received the regulatory approval to launch a Category II Structured Credit Fund. We will continue to strengthen and expand our presence in the alternatives space. In the PMS segment, we continue to prioritise performance and deepen client engagement. Our global platform, HDFC AMC International (IFSC) Limited, launched three funds during the year and received encouraging investor interest. The platform connects international investors to India's growth story and will also enable Indian investors to explore global markets. While remaining deeply focused on our mutual funds franchise, we are steadily building a foundation to grow in the private assets market as well as international business. As we explore new frontiers, we remain rooted in our core strengths and the legacy built over decades.

Client Service to Client Delight

As part of HDFC Group ethos, client-centricity is at the heart of everything we do. At HDFC AMC, we have been on a transformational journey from 'client service to client delight', with a deep rooted sense of empathy and care for our investors. Whether it is a physical interaction or a digital one, every aspect of our service is built around the investor. Our investment management, risk frameworks, product innovation, and world-class content all come together in a client-centric ecosystem designed for excellence and scale. The goal is to offer personalisation at scale while preserving the integrity and empathy of individual service.

Through the year, we engaged with our partners and investors to understand the evolving needs of investors. Our annual customer satisfaction survey (CSAT) and distributor satisfaction survey (DSAT) guide enhancements to our processes and service delivery. We strive to lead the industry in delivering outstanding client service by continuously raising our standards and innovating to meet changing expectations.

Technology and Digital Transformation

Technology has played a central role in this transformation. Our revamped website offers a seamless journey for first-time investors, and our investor app (rated above 4.5 stars) continues to gain popularity. A landmark innovation has been the launch of our in-house WhatsApp transaction service, TapToInvest, giving clients a secure and intuitive way to invest with just a few taps. Our enhanced UPI integration and broadened payment options ensure that transactions are not only easier but also more inclusive. Meanwhile, our distributor portal and app empower our

MD and CEO's Message

partners to scale new heights in client service and business growth.

A newly-launched Artificial Intelligence (AI) assistant helps our client service teams answer investor queries, improving both response speed and accuracy. By combining technology, high-quality service, and a deep understanding of investor needs, we are shaping a truly modern client experience. As the industry continues to evolve, our platforms are future-ready, enabling us to lead with a client-first approach. We are committed to advancing digital excellence, nurturing partnerships, and expanding our reach.

Reaching the Real Bharat

Over half of all our new SIPs now come from beyond the top 30 cities. This underlines not only the financial aspirations of emerging India but also the trust placed in us. It also reflects the rising ambition in smaller towns to participate actively in wealth creation. In response, we have expanded our footprint with over 50 new offices since the beginning of 2024, reaffirming our commitment to take mutual funds to the very doorstep of a Viksit Bharat. Through this growing network, we are not just setting up offices, we are planting the seeds of financial empowerment in various corners of the country.

Phygital Distribution: A Unique Advantage

At the heart of our distribution strategy is a simple yet powerful idea: meet our distribution partners and investors where they are, in a manner that best serves their needs. We have a strong belief in a 'Phygital' approach, a harmonious blend of physical presence and digital prowess. Though we have digitised client interactions with our products, with digital transactions increasing from 30% a decade ago to over 90% today, we recognise the vital need for human connection in our ecosystem. This powerful combination of streamlined digital processes with our people's understanding and empathy makes HDFC Mutual Fund truly unique.

This blend of process and passion is what makes our 'Phygital' model a true differentiator in the industry. And as we scale this model further, I am confident that our service delivery will not only reach more people, but also connect with them more deeply.

Expanding Our Distribution Network

Our distributor onboarding programme engaged thousands of newly empanelled partners during the year, significantly strengthening our distribution network across India. We continue to make meaningful progress in deepening relationships across all distribution channels. Our branch network operates in harmony to provide consistent on-ground support to all our distribution partners.

Our partnership with our parent and sponsor, HDFC Bank, has strengthened through co-branded initiatives, comprehensive training programs and deeper digital integration. HDFC Bank's leadership team is actively engaged in this collaboration, demonstrating their commitment to bringing the mutual fund advantage to their extensive client base. Through this synergy, we are improving client accessibility and creating enduring value.

Growing Responsibly and Sustainably

While we grow our business with purpose and passion, we also play our role in empowering communities and supporting sustainable and inclusive development. The latest edition of our 'NurtureNature' initiative combines financial discipline of SIP with environmental impact. This initiative will contribute towards restoration of a lake. The HDFC Cancer Cure Fund has transformed thousands of patients' lives over its 14-year journey. We are grateful to our investors for their continued philanthropy and support of this noble cause. Our commitment to sustainability is built on three pillars: Planet, People, and Prosperity. This commitment is demonstrated through our adoption and engagement with UNPRI and Climate Action 100+, and adherence to the CFA Institute Asset Manager Code. We further extend these sustainability pillars through our stewardship responsibilities as investors and capital allocators, engaging constructively with our portfolio companies to promote long-term sustainability and value creation for all stakeholders.

Our people are our biggest asset, with every member of the HDFC AMC family working together as stakeholders in our mission to create wealth for every Indian household. We continue to invest in their development and growth as leaders, fostering a culture that corporate India looks up to. We are proud to have been recognised as a **Great Place to Work®** for the second consecutive year, affirming our culture of inclusivity, collaboration, and high performance.

Looking Ahead

With a strong foundation and a clear roadmap, HDFC AMC is well-positioned to grow with the market, respond to change and create enduring value.

We strongly believe that AI will revolutionise how we scale our capabilities across investment management, client engagement, people productivity and cost efficiencies,

while strengthening our overall processes and platforms. We are investing in AI capabilities and have launched couple of AI initiatives within the organisation, with more innovations in development. We will continue to invest in AI across all areas of the business.

We also remain confident in India's long-term prospects. As the financial landscape evolves, we will continue to adapt, innovate, and act in the best interests of our investors. Our priorities remain clear, delivering value, expanding reach, and setting new benchmarks in client experience.

We express our sincere gratitude to SEBI for its guidance, to AMFI for its industry leadership in the MF industry, to APMI and IVCA for their pivotal role in shaping the portfolio management and alternatives ecosystem and to our distribution partners, investors and vendors whose trust and support continue to inspire us. Above all, we are deeply grateful to our people, the foundation of our success, whose commitment, integrity, and passion drive our purpose every day.

Our mission - to be the wealth creator for every Indian remains our guiding principle. Backed by a comprehensive suite of products and solutions, a strong track record, and a client-first mindset, we aim to be a trusted partner for our investors. Guided by this mission and driven by our **vision-to be the most respected asset manager in the world,** we continue to move forward with sincerity and dedication.

Navneet Munot
MD & CEO

Digitisation

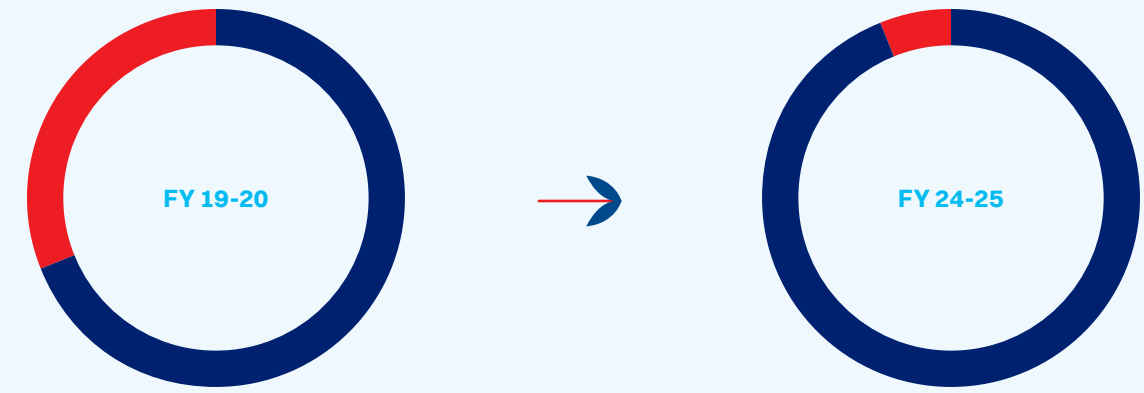
Accelerating digital transformation, with security

Our robust digital ecosystem has been purpose-built to serve investors, partners, and employees with agility and security. Leveraging next-generation technologies, data analytics, and personalisation tools, we continue to strengthen our position as a digitally driven asset manager.

Four Pillars

- Seamless Digital Journeys with our investor platforms
- Scaling Digital Distribution with our partner platforms
- Security and Regulatory Prudence
- Step-changing our Digital Experience with AI

Digital Adoption (in %)



4.5+
Average App Ratings for Investors

28%+
Growth in Partners who utilize our Digital Marketing solutions

44%+
Increase in Digital Transactions being executed every minute

95%+
Queries resolved within TAT (1 day)

Integrated Digital Stack

We operate a comprehensive and integrated digital stack, offering tailored experiences through dedicated platforms for investors and distribution partners. Each interface is designed to enhance convenience, speed, and trust across every interaction.

Investors

- HDFC Mutual Fund
- Investor Portal
- Chat Bot
- One Click Link
- WhatsApp for Investors
- Transact on Call
- Website

Partners

- HDFC MFOnline Partners
- Partners Portal
- Admin Portal
- ARN Hardcoded Link
- One Click Link
- Transact on Call
- API Gateway
- Digital Marketing Solutions

Engagement & Support Channels

- Co-browsing Services
- Callback Services
- Agent Help Desk
- Journey Management

Foundation Tools

- Customer Data Platform
- Personalisation Tools
- Marketing Automation

Key Initiatives in FY 24-25

We continued to strengthen our digital platforms across investor, distributor, and internal ecosystems to scale and simplify investing

- Refreshed UI/UX for website and revamped SIP and Purchase journey for digital assets.
- Enabled SIP & Purchase on WhatsApp for 24x7 investing.
- Rolled out Family Portfolio View using PAN linking for holistic wealth tracking.
- Introduced Chhoti SIP for micro-investing access.
- Enabled PAN-based Account Statements.
- Enabled UPI Autopay to simplify recurring SIP transactions.
- Introduced E-cart for multi-scheme investments in a single flow.
- Completed BCP DR setup successfully in Hyderabad.
- Strengthened App & Web Security through key upgrades
- Enhanced discoverability through SEO-driven content strategy.
- Increased conversion via proactive retargeting campaigns.
- Implemented new security tools (Dynatrace) for advanced observability.
- Launched knowledge management system (KMS) using our self-hosted AI open-source model.
- Launched AI content engine to create blogs, articles and designs at scale.

Investor Outreach

Empowering Investors with Insightful Engagement



SIPlified Campaign

Recognising that many individuals find the process of stock-picking or financial planning daunting, this campaign draws parallels between everyday challenges and the ease of investing via SIPs. The campaign was carried out across 15 publications and two languages, resulting in an impressive 104 million impressions.



Zindagi Ke Liye SIP

The campaign draws a parallel between investing in mutual funds and everyday life. Through storytelling that mirrored familiar life events, the campaign created emotional resonance with audiences. It was executed across seven publications in three languages and recorded 9.2 Million impressions online, reinforcing the message that SIPs can help you achieve your financial goals.



Large Cap Campaign

A category-specific Investor Education and Awareness Programme, focused on educating investors about Large Cap Funds.



Mother's Day Campaign

This campaign took an emotional and topical approach by highlighting the importance of planning and investing for loved ones, especially mothers. With a heartfelt narrative, the video campaign connected strongly with viewers and garnered 1.7 Lakh video views, reinforcing the need to secure a better future for our families through mutual fund investments.



Retirement Ready Campaign

The campaign was focused on building awareness around retirement planning, an often-overlooked but crucial aspect of financial well-being. Through easy-to-understand communication, it stressed the need to start preparing early for retirement. The campaign received 3 Lakh impressions, helping bring retirement discussions into the mainstream.



Life Ka Appraisal Campaign

Through this campaign we cleverly leveraged the appraisal season to spark conversations around personal financial growth and future planning. It connected with working professionals and individuals across age groups, drawing a parallel between workplace appraisals and self-assessments of financial health. The video series saw 3.8 Million views and approximately 4 Million impressions, making it one of the more impactful topical campaigns.



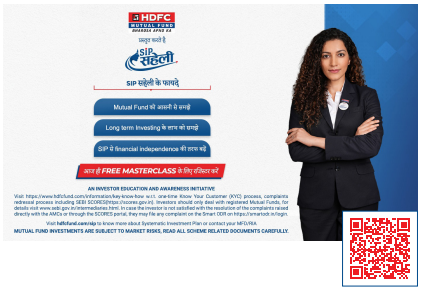
Fixed Income Awareness Campaign

It was launched to spotlight the often-underrepresented category of Debt Funds. While equity funds dominate most marketing efforts, this initiative was aimed at educating investors about the role of debt instruments in creating balanced portfolios. The campaign delivered 6.5 Lakh impressions, successfully initiating interest in more stable, income-generating fund options.



MITRA Platform Launch Communication

We introduced audiences to a newly launched digital platform focused on helping trace forgotten investments. Early awareness efforts began on social media and the campaign has already achieved 36,245 impressions, building curiosity and initial traction around the platform.



SIP Saheli Initiative

It is a targeted financial education and awareness programme designed especially for women. This initiative has seen both online and offline engagement across India, empowering women with knowledge and confidence to make informed investment decisions.



Planet Aspirations Initiative

It is an innovative quiz-based campaign designed for children in Classes 5 to 8. The goal was to introduce young students to the basics of saving, planning and understanding money in an engaging format. With over 20,000 students participating in the quiz, the initiative has played an important role in building early financial literacy and awareness among school children.



Union Budget 2025

The Budget is a highly anticipated event in the investment world, shaping financial decisions and market trends. Capitalising on one of its key highlights, the revised tax brackets, we leveraged this opportunity through a print campaign to emphasise how lower taxes translate into higher savings. These additional savings can be effectively multiplied through mutual funds, enabling investors to build wealth more efficiently. The print campaign was well supported by interesting creatives and key persons' videos.

Marketing Initiatives



HDFC Top 100 Fund

We promoted the HDFC Top 100 Fund through digital ads, highlighting the fund's performance. Each creative redirected viewers to the product page for detailed information.

Note: (scheme name changed from HDFC Top 100 Fund to HDFC Large Cap Fund)



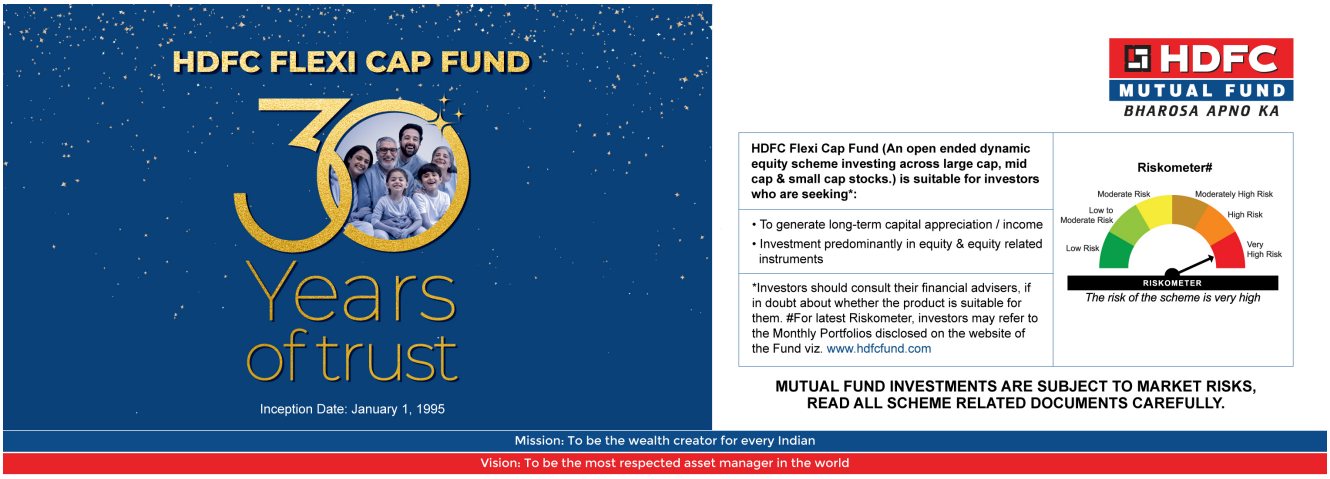
Person of the Year 2024

2024 was a whirlwind year - marked by events that could leave a lasting impact on the world. Our MD and CEO, Mr Navneet Munot, shared his insightful yet witty perspective on what was truly a rollercoaster ride. From tumultuous geopolitics to path-breaking technologies, from central bankers to athletes, and everything in between - his signature annual piece, "Person of the Year", offers a flavour of it all, with a sharp eye on the future.



Launch of 25 New Branches in 2025

At the start of the year 2025, we successfully launched 25 new branches with a grand virtual event, followed by an extensive outdoor campaign across all 25 locations. Additionally, print advertisements were featured in leading business dailies to further amplify our presence. An aggressive PR coverage in both national and regional publication helped us to highlight the achievement securing over 230 print clips and 40 online clips. The new branches positions HDFC AMC as one of the most accessible wealth creators in the country and underscores the Company's mission - To be the wealth creator for every Indian. This expansion increases HDFC Mutual Fund's network to over 280 branches nationwide, bringing financial solutions closer to people in both urban and semi-urban areas.



Celebrating 30 Years of Flexi Cap Fund

HDFC Flexi Cap Fund celebrated three decades of wealth creation on 1st January 2025. The Fund, which is one of the flagship equity schemes is the 4th Fund in HDFC MF's equity product suite that has a history of 30 years. Over the past 30 years, the Fund has successfully navigated multiple market cycles, showcasing its robust investment philosophy of focusing on quality companies with strong fundamentals and long-term growth potential.

To celebrate the milestone, a series of impactful activities were executed to engage investors, distributors and stakeholders:

- **Investor Film:** A compelling video capturing the journey of the fund and its impact on investors.
- **Distributor Campaign:** A customised AI-powered video campaign featuring Mr. Navneet Munot, acknowledging and celebrating the invaluable contributions of distributors.
- **Print Advertisements:** Strategic placements in top financial dailies to amplify the campaign's reach.
- **Pan-India Celebration:** Cake-cutting events across locations, featuring the campaign's creative on cakes. At the Head Office, pastries were distributed along with a personalised note.
- **Product Literature:** A comprehensive suite of materials, including leaflets, presentations, and the 'Did You Know?' series.
- **Expert Insights:** Short video series featuring Fund manager Ms. Roshi Jain, offering valuable perspectives.

Yearbook 2025

The Annual Yearbook 2025 gives a nuanced view of how the Indian Economy is positioned amidst a challenging global environment. It also sheds light on outlook for Equity and Fixed Income markets in an effort to help people make informed investing decisions



Investment ke liye, yeh Muhurat sahi hai!

Muhurat Investing Campaign

The 'Muhurat Investing' campaign draws inspiration from the tradition of Muhurat Trading, encouraging investors to begin their financial journey during this auspicious time. The campaign also included a special message promoting Muhurat investing for support staff who make our daily lives easier. We extended this initiative through a nationwide webinar, educating our support staff on how to start investing.

Laxmi for Laxmi

We launched a series - 'Laxmi for Laxmi' this month, where we celebrate the spirit of women in investing. Laxmi for Laxmi is a series where we invite women MFDs to discuss the investment behaviours, hurdles, and patterns of women investors. They share the unique behaviors shaping women's investment journeys and the challenges they overcome on their path to financial empowerment.

NFO List

Scheme Name

- HDFC Manufacturing Fund
- HDFC NIFTY100 Low Volatility 30 Index Fund
- HDFC Nifty500 Multicap 50:25:25 Index Fund
- HDFC Nifty LargeMidcap 250 Index Fund
- HDFC Nifty India Digital Index Fund
- HDFC Nifty100 Quality 30 Index Fund
- HDFC Nifty Top 20 Equal Weight Index Fund



Nurture Nature 4.0

Building upon the resounding success of our three previous Nurture Nature campaigns, we proudly unveiled the fourth edition, dedicated to the critical cause of Water Conservation through Lake Revival. Aligned with the prestigious UN World Environment Day 2024 theme. We extended this initiative by organising Lake Clean-up drives across 7 cities, involving over 350+ HDFC MF employees and distributors, who collectively gathered more than 4,500+ kg of waste, reinforcing our commitment to environmental stewardship and community resilience.



ESG Approach

Embedding Sustainability

At HDFC Asset Management Company, our commitment to responsible growth is guided by the core pillars of People, Planet and Prosperity. We believe that enduring success stems from generating value not just for our investors, but also for the communities and environment we engage with.

Our ESG Mission

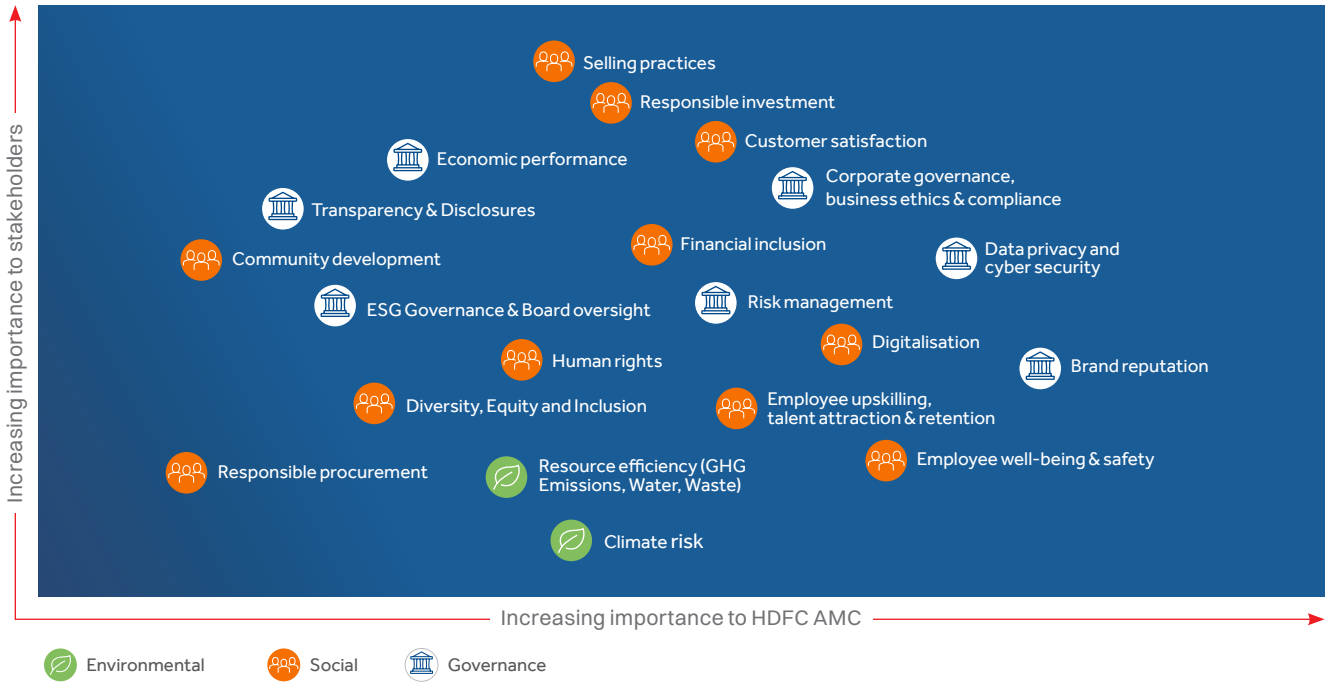
To create sustainable wealth for every stakeholder by focusing on three Ps - People, Planet, and Prosperity



ESG Approach

Our ESG materiality map identifies topics that could impact our business, the communities we operate in and the environment. By formally assessing these topics, we aim to analyse risks and opportunities facing our business. This analysis helps us allocate resources and direct efforts to create long-term value for our stakeholders.

ESG Materiality Map



Responsible Investing

As a responsible asset manager, we are committed to integrating ESG considerations into our investment processes. Our goal is to manage risks, unlock long-term value, and support companies on their sustainability journeys.

We are signatories to the United Nations-supported Principles for Responsible Investment (UN PRI) and Climate Action 100+. We have also adopted the CFA Institute Asset Manager Code, further strengthening our commitment to ethical and transparent investment practices.

For responsible investing, we have furthered the definition of ESG to include Engagement, Stewardship, and 'Good to Great' factors.

Engagement

We monitor and actively engage with the investee companies on various topics such as executive compensation, dividend distribution policies, capital allocation, related party transactions, ESG strategy, etc. The aim of engagement is not only to improve ESG integration to limit risks, but also to improve the impact of the organisation's business on environment and society at large.

Stewardship

We have adopted the stewardship code, in line with regulatory guidance. We view stewardship as a step towards improved corporate governance in the investee companies and improving the interests of investors. Our investment team aims to vote in an informed and pragmatic manner, as we consider shareholder voting to be an important shareholder right and a valuable tool for decision-making.

'Good to Great'

We focus on rational investing by identifying businesses that have the potential to achieve 'Good to Great' corporate transformations and aspire to play the role of an active partner in this journey through highly constructive Engagement and Stewardship.

Environment

We recognise the growing risks of climate change and are committed to reducing our environmental footprint. Through purposeful actions, we focus on creating long-term environmental impact by optimising resource use and digitising operations.



1,100+ kg

of E-waste Processed in an Environment-friendly Manner

59,000 sq ft

Sustentation of Kalina Biodiversity Park under our CSR Initiative

Promoting Circular Economy

The Company sourced notebooks made from recycled paper through the Akanksha Foundation, supporting both environmental conservation and educational empowerment.

Inclusive and Responsible Procurement

By procuring laptop bags from the Society for Vocational Rehabilitation of the Retarded, the Company reinforced its focus on inclusive growth and responsible sourcing.

NurtureNature

From planting saplings in versions 1.0 and 2.0 to repurposing plastic in 3.0, NurtureNature 4.0 focuses on Water Conservation through Lake Revival, marking another meaningful chapter in our ongoing commitment to the environment.

Digital-First Operations

We continue to accelerate our transition to digital platforms, which helps reduce paper use and operational waste, while improving efficiency.



94%

of Transactions are Supported by Online Platforms

ESG Approach

Social

Our People

Over time, we have built strong and lasting relationships with our key stakeholders viz. customers, distributors, shareholders, employees, suppliers and the wider community, through consistent engagement and trust.

Employee Growth and Development

We invest in programmes that equip our employees with the skills and knowledge necessary to thrive in an ever-evolving financial landscape. We offer ample opportunities for professional growth to create a future-ready workforce that embraces challenges and drives innovation at every level.



73,700+

Employee Training Hours

Inclusive Work Environment

We are committed to fostering an inclusive environment where diverse perspectives are valued. Our initiatives aim to create a workplace that encourages open dialogue, equality, and opportunity for all employees, helping them realise their full potential.

1,618

Employees

28%

Women Employees

~1,500

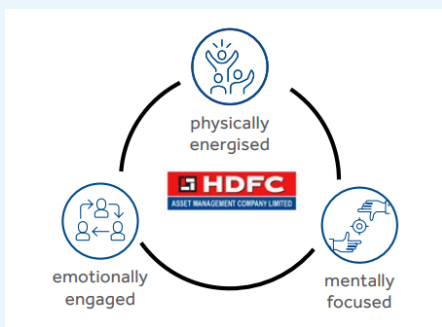
Employees Attended Training on ESG

Employee Well-being

Employee well-being continues to be a priority of the Company and the Company takes several initiatives to promote health and safety of its employees. The Company ensures that its employees have access to programs that address their physical, emotional and mental well-being.

Certified as Great Place to Work

Great Place To Work. Certified FEB 2025–FEB 2026 INDIA



Customers

At HDFC AMC, we strive to provide a seamless customer experience and build lasting relationships grounded in trust, transparency, and mutual respect. Guided by our promise of '**Bharosa Apno Ka**', we are committed to understanding our customers' unique needs and delivering tailored solutions that help them achieve their financial aspirations.

- We offer a comprehensive suite of platforms to facilitate seamless transactions.
- Enhanced Call Centre Services for Senior Citizens and HNI Investors to ensure faster service and reduced Turnaround Times.
- Launched our in-house WhatsApp transaction service, *TapToInvest*
- We regularly conduct customer satisfaction surveys to gather feedback and enhance our processes & service delivery.
- Our branch service team are supported by CRM, training modules and also with an AI bot, enabling them to respond to customer queries more effectively.

1.32 cr

Unique Investors

2.33 cr

Live Accounts

Improving Financial Literacy

Financial literacy is fundamental to our business, as we recognise that a lack of financial knowledge can prevent individuals from realising their dreams and achieving financial stability. At HDFC AMC, we leverage our extensive investment experience to promote financial literacy among the masses.

Conducted weekly quizzes covering key mutual fund concepts, market updates, and behavioural finance, engaging over 2 Lakh participants, including investors, distributors and employees.

5.1 Lakh+

Individuals educated under 'SIP Saheli' - An initiative to provide structured masterclass on Mutual Fund investing, specifically to women

20,000+

Students reached via HDFC MF Planet Aspirations, an awareness programme designed to instil financial literacy in children

2.7 Lakh+

Participants reached through our 3,500+ Investor Awareness Programmes

ESG Approach

Driving Inclusive Growth

Through our CSR initiatives, we aim to foster inclusive growth by addressing key societal challenges. Our key CSR projects focus on healthcare, education, environmental sustainability and sports development. We are dedicated to making a meaningful impact in these areas, driving positive change to foster a more inclusive and sustainable society.



#Investinothers

HDFC Charity Fund for Cancer Cure, a unique Mutual Fund Scheme that allows to contribute towards a visible cause.

Fund series has, over the past 14 years, positively impacted the lives of thousands of cancer patients across India. This initiative continues to be sustained through the generous contributions of our investors, and we are grateful for their ongoing philanthropy and compassion.

3,300+

Cancer Patients Provided with financial aid for treatment

7,600+

Children given access to quality education and daily nutritious meals



Governance

Ethics is central to our corporate ethos and drives our corporate governance philosophy. Governance includes not just workplace ethics, disclosures and regulatory compliance, but it also includes our environmental and societal obligations.

56%

Independent Directors

10

Ethics Workshop Conducted for Employees

ISO Certifications

ISO 22301:2019 - Business Continuity Management System

ISO/IEC 27001:2022 - Information Security Management System

Our commitment to governance is reinforced through our ESG and CSR Committee of the Board, which provides strategic direction and oversight to ensure alignment with our environmental, social, and governance objectives. Additionally, the management-level ESG Task Committee integrates ESG principles into our core business operations, promoting a culture of responsibility.

Our Board is comprised of individuals with diverse backgrounds, bringing together a wide range of expertise in the industry. This diversity enhances our decision-making process and ensures robust governance. With a balanced mix of Independent Directors and experienced leaders, our Board is well-equipped to guide the company towards its strategic goals and long-term sustainability.

Signatory of: PRI Principles for Responsible Investment | Climate Action 100+ | CFA Institute Adopted CFA Institute's Asset Manager Code

Our Board of Directors



Mr. Deepak S. Parekh

Non-Executive Non-Independent Director and Chairman

DIN: 00009078

Mr. Deepak S. Parekh is a Non-Executive Non-Independent Director and Chairman of the Company since July 4, 2000. He served as Chairman of Housing Development Finance Corporation Limited ('HDFC Limited') from 1993 to 2023, and contributed overall 45 years to HDFC Limited. Under his leadership, HDFC Limited, India's first retail housing finance company made home ownership a reality for millions across the country. HDFC Limited merged with HDFC Bank Limited ('HDFC Bank') w.e.f. July 1, 2023, making HDFC Bank one of the top 10 banks globally by market capitalization. Mr. Parekh's vision transformed HDFC Group into a leading financial services conglomerate covering banking, asset management, insurance, property funds, education and education loans.

He is a fellow of Institute of Chartered Accountants, 'England and Wales'. He holds Board positions in Siemens Limited, HDFC Capital Advisors Limited and Schloss Bangalore Limited, and is also associated with a few Trusts/NGOs as well in advisory capacity. Mr. Parekh has been honoured with several awards and accolades viz. Padma Bhushan, one of the highest civilian awards by Government of India in 2006; Knight in the Order of the Legion of Honour, one of the highest distinctions by the French Republic in 2010; first international recipient of the Outstanding Achievement Award by the Institute of Chartered Accountants in England and Wales in 2010; Bundesver dienstkreuz Germany's Cross of the Order of Merit, one of the highest distinction by the Federal Republic of Germany in 2014; first of a network of international ambassadors for championing London across the globe by the Mayor of London in 2017.



Ms. Renu Sud Karnad

Non-Executive Non-Independent Director

DIN: 00008064

Ms. Renu Sud Karnad is a Non-Executive Non-Independent Director on the Board of the Company since July 4, 2000. She was the Managing Director of erstwhile HDFC Limited from 2010 till June 30, 2023. From 1st July 2023, she is a Non-Executive and Non-independent Director on the Board of HDFC Bank.

She holds a Master's degree in Economics from the University of Delhi and a Bachelor's degree in Law from the University of Mumbai. She is a Parvin Fellow - Woodrow Wilson School of Public and International Affairs, Princeton University, USA. Ms. Karnad has to her credit, numerous awards, and accolades. Prominent among them being featured in list of '25 top non-banking women in finance' by U.S. Banker magazine, listed by Wall Street Journal Asia as among the 'Top Ten Powerful Women to Watch Out for in Asia', 'Outstanding Woman Business Leader' by CNBC-TV18, 25 Most Influential Women Professionals in India by India Today.



Mr. V Srinivasa Rangan
Non-Executive Non-Independent Director (Nominee of HDFC Bank Limited, Promoter of the Company)

DIN: 00030248

Mr. V Srinivasa Rangan is a Non-Executive Non-Independent Director (Nominee of HDFC Bank Ltd) on the Board of the Company with effect from January 12, 2024. He is also the Executive Director (i.e., Whole-time Director) of HDFC Bank (Promoter of the Company). He was the Executive Director and Chief Financial Officer of erstwhile HDFC Limited. He holds a Bachelor's degree in Commerce from University of Delhi, Graduate member of the Institute of Cost Accountants of India and is an Associate of the Institute of Chartered Accountants of India (ICAI). He is an expert in finance, accountancy, audit, economics, corporate governance, legal & regulatory compliance, risk management and strategic thinking. He has vast experience in housing finance and real estate sector. Mr. Rangan has worked on international consulting assignments in housing finance in Ghana and the Maldives. He has been a member of various committees related to financial services such as RBI's Committee on Asset Securitisation and Mortgage-Backed Securitisation, Technical Group formed by National Housing Bank (NHB) for setting up of a Secondary Mortgage market Institution in India, NHB's Working Group on Covered Bonds and NHB's Working Group on Credit Enhancement Mechanism. Mr. Rangan was conferred the 'Best CFO in the Financial Sector for 2010' by ICAI. He was also honoured with 'Lifetime Achievement Award' at the sixth edition of Financial Express CFO Awards 2023. Mr. Rangan also serves as Non-Executive Nominee Director on the Board of Credila Financial Services Limited.

Apart from HDFC Bank, Mr. Rangan does not hold full-time position in any other company or body corporate.



Ms. Roshni Nadar Malhotra

Independent Director

DIN: 02346621

Ms. Roshni Nadar Malhotra is an Independent Director on the Board of the Company with effect from April 27, 2019. She is the Chairperson of the Board of Vama Sundari Investments (Delhi) Private Limited and she is also the Chairperson of HCL Corporation Private Limited and HCL Capital Private Limited, both registered NBFC-ML with RBI, New Delhi. Ms. Nadar Malhotra has approx. 14 years of experience in managing affairs of NBFCs under HCL Group. Ms. Nadar Malhotra, being Chairperson of the Treasury Committee of the Vama Sundari Investments (Delhi) Private Limited and HCL Corporation Private Limited, is actively involved in treasury management.

Ms. Nadar Malhotra is the Chairperson of HCL Technologies Limited, a leading global technology organisation with a market capitalization of $60 billion, headquartered in India.

Ms. Nadar Malhotra is Trustee of the Shiv Nadar Foundation (Foundation). Since its inception, the Foundation has invested $1.5 billion in nation building institutions and driving transformational leadership. Ms. Nadar Malhotra is also the Chairperson and driving force behind VidyaGyan, a leadership academy working towards nurturing future leaders from economically disadvantaged, meritorious rural students of India who can be catalysts of change for their communities, villages and the nation at large. She is the Managing Trustee of 'The Habitats Trust' engaged in protecting India's natural habitats and its indigenous species.

Ms. Nadar Malhotra is a member of the Dean's Advisory Council at the MIT School of Engineering, USA and also a member of the Kellogg School of Management Executive Board for Asia. She serves on the board of directors of US-India Strategic Partnership Forum (USISPF) and is on the global board of directors of The Nature Conservancy (TNC).

In recognition of her outstanding work both in business and in philanthropy, Ms. Nadar Malhotra has received several honors and accolades. France's highest civilian award Chevalier de la Légion d'Honneur (Knight of the Legion of Honour) has been conferred on her in 2024.

In 2024, she was featured for the eighth consecutive year in 'The World's 100 Most Powerful Women' list, compiled and released by Forbes.

Ms. Nadar Malhotra holds an undergraduate degree in Communications from Northwestern University and an MBA from the Kellogg School of Management. At Kellogg, she was awarded the Dean's Distinguished Service Award. In 2023, Ms. Nadar Malhotra was conferred with the Schaffner Award by Kellogg for her contribution to the society. Ms. Nadar Malhotra was conferred with Lewis Institute Community Changemaker Award by Babson College in 2017.



Mr. Dhruv Kaji
Independent Director
DIN: 00192559

Mr. Dhruv Kaji is an Independent Director on the Board of the Company with effect from October 31, 2018. He was Finance Director of Raymond Limited, Executive Director of Pines worth Holdings Pte. Ltd. (Singapore) and a Director on the Boards of Raymond Apparel Limited, Colorplus Fashions Limited, Hindustan Oil Exploration Company Limited, Balaji Telefilms Limited, Balaji Motion Pictures Limited, Network18 Media & Investments Limited and TV18 Broadcast Limited; he was also on the advisory board of Essar Steel Limited. He is currently an advisor, evaluating and guiding business projects, strategies and organisational development, both in India and abroad. He is also on the Board of Ceinsys Tech Limited.



Mr. Jairaj Purandare

Independent Director

DIN: 00159886

Mr. Jairaj Purandare is an Independent Director on the Board of the Company with effect from October 31, 2018. He is a Fellow member of The Institute of Chartered Accountants of India and holds a Bachelor of Science (Hons.) from University of Bombay. He has completed the YPO Presidents Program from Harvard Business School. Mr. Purandare has over four decades of experience in accounting, tax and business advisory matters. He is the Founder Chairman of JMP Advisors Private Limited, a leading advisory, tax and regulatory services firm, based in Mumbai, India.

He was Regional Managing Partner, Chairman – Tax and Country Leader Markets & Industries of Pricewaterhouse Coopers, India. He was earlier Chairman of Ernst & Young India (EY) and Country Head of the Tax & Business Advisory practice of Andersen India. He has significant expertise in advising large and multinational clients across various sectors viz. Financial Services, Infrastructure, Power, Telecom, Media, Pharma and Auto sectors.

International Tax Review (Euromoney), in its report World's Leading Tax Advisors has named Jairaj several times as among the leading Tax Advisors in India.

Mr. Purandare is a regular speaker at seminars in India and abroad and has presented several papers in areas of his expertise, including inbound/outbound investment structuring, international tax, transfer pricing, M&As, Indian Budget and Economy.

Mr. Purandare is an Independent Director in listed companies viz. Piramal Pharma Limited, CIE Automative India Limited, Indegene Limited and at PayU Payment Private Limited, an unlisted company. He also holds directorship in JMP Advisors Private Limited.

Mr. Purandare is a steering committee member of the ITSG International Network and a member of the City of London Advisory Council for India. He is a former member of the National Council of Confederation of Indian Industry (CII) and former Chairman of the Taxation Committee of CII. He has been a member of the Central Direct Taxes Advisory Committee, chaired by the Finance Minister. Mr. Purandare was also the Regional Networks Chair and Finance Chair of YPO Gold and continues to be a member.



Mr. Parag Shah
Independent Director
DIN: 00374944

Mr. Parag Shah is an Independent Director on the Board of the Company with effect from January 22, 2019. He is Founder and Partner of Amara Partners, a mid-market Private Equity fund. Amara Partners provides growth capital to businesses and supports entrepreneurs in strategy, innovation, digitisation, change management, governance and business transformation.

In a career spanning over 25 years, Mr. Shah has held various positions with the Mahindra Group and in his last role, he was a Member of the Group Executive Board. Mr. Shah has extensive experience in building new businesses, turnarounds, joint ventures, mergers & acquisitions and IPOs. He was the Managing Partner of Mahindra Partners, the 1 Bn USD Private Equity and Venture Capital division of the Group that was in charge of diverse businesses like Logistics, Renewable Energy, Retail, Manufacturing (Steel components, Conveyor Systems, Boats), Consulting, Media and Healthcare. He had also set up the Group Silicon Valley office for technology investments and start-up partnerships. Mr. Shah was Chairman of GPMD program, Co-Chairman of the Group Diversity Council, Member of Group Sustainability & an Executive Committee member of various councils of Mahindra Learning University. He was the Group lead for business representation in Israel.

Mr. Shah is a Director on several companies such as Mahindra Accelo, Mahindra Waste to Energy, The Indian and Eastern Engineer Company, Global Chess League (Geneva) & PSL Media and Communication. He is also an Independent Director on the board of Lumax Auto Technologies Limited and Thermax Limited.

Mr. Shah holds a BS degree in Computer Engineering from the Illinois Institute of Technology with special electives in Psychology and Manufacturing Technology. He is also a graduate of the General Management Program from Harvard Business School.

Mr. Shah has been an Executive Committee Member of the CII National Committee on Private Equity and Venture Capital, FICCI Solar Energy Task Force, CII National Committee on Renewable Energy, CII National Healthcare Council, American Alumni Association in addition to other external associations. He is also an angel investor & is on the Board of Trustees of The IndUS Entrepreneurs (TiE), Mumbai.

Mr. Shah has been recognized by Economic Times & Spencer Stuart as India's Top 40 Business Leaders under the age of 40. He was also featured by India Today as 'Leaders of Tomorrow' in their anniversary issue.

Mr. Shah is affiliated with various NGO associations such as Sabarkanta Relief Committee and S&G Charitable Trust. He has also been a Founder Director of 'Executives Without Borders,' an NGO based in USA.



Mr. Sanjay Bhandarkar
Independent Director
DIN:01260274

Mr. Sanjay Bhandarkar is an Independent Director on the Board of the Company with effect from October 31, 2018. He has over three decades of corporate finance, advisory and investment banking experience in the country. He is also currently an independent non-executive director on the boards of other listed companies; Tata Power Company Limited, Chemplast Sanmar Limited and Tata Consultancy Services Limited, one unlisted company; Tata Projects Limited and on the board of the National Investment and Infrastructure Fund Limited as a shareholder nominee.

Mr. Bhandarkar is also on the Investment Committee of the South Asia Growth Fund II and III of GEF Capital Partners as an external IC member. He is on the advisory board of 1Crowd, a seed capital stage online investing platform which has also raised a SEBI approved fund for seed stage investing.

Mr. Bhandarkar started his career with ICICI in 1990 and ISec, the joint venture between ICICI and JP Morgan, and then spent two years with Peregrine Capital. He was part of the founding team of Rothschild India in 1998 and played a key role in establishing Rothschild as a well-recognised and respected pure play advisory investment banking firm in India. He led the Rothschild India business from December 2005 to June 2016 when he stepped down from his full-time role.

Mr. Bhandarkar 's focus at Rothschild was on M&A as well as equity capital market advisory for Indian and international companies. He led the teams that worked closely with the Government of India on the 3G and BWA spectrum auctions, the first e-auctions done in India, and on the restructuring of the Enron and GE owned Dabhol power project, one of the largest and most complex restructurings to date.

Mr. Bhandarkar did B. Com. from University of Pune and MBA from XLRI, Jamshedpur in 1990. He lives in Mumbai.



Mr. Navneet Munot
Managing Director & Chief Executive Officer
DIN: 05247228

Mr. Navneet Munot is the Managing Director & Chief Executive Officer of the Company with effect from February 16, 2021. HDFC AMC manages over ₹7.5 Lakh Crore across equity and fixed income funds and serves 1.3 Crore individual and institutional investors. Mr. Munot is also on the board of HDFC International (IFSC) Limited. He is also the Chairman of the Association of Mutual Funds in India (AMFI). Mr. Munot is chair of the Advisory Committee on Environmental, Social and Governance (ESG) constituted by SEBI and serves as a member of the Board of the National Institute of Securities Markets (NISM), established by SEBI to enhance capacity and quality standards in the securities markets. He is also a board member of Bombay Chamber of Commerce and Industry (BCCI).

In his prior role, he served as Executive Director and Chief Investment Officer (CIO) at SBI Funds Management Private Limited, where he was a key member of the Executive Committee since December 2008. As CIO, he was responsible for overseeing investments exceeding $150 billion across various asset classes in mutual funds and segregated accounts. He also served as a nominee director on the Board of SBI Pension Funds Private Limited. In a career spanning over three decades, Mr. Munot also worked with Morgan Stanely Investment management and Birla Sunlife Mutual fund.

Mr. Munot holds a Master's degree in Accountancy and Business Statistics and is a qualified Chartered Accountant. He is also a charter holder of the CFA Institute and the CAIA Institute. Mr. Munot has completed the Financial Risk Management (FRM) programme from the Global Association of Risk Professionals.

Our Leadership Team



Navneet Munot
Managing Director and Chief Executive Officer



Alok Sheopurkar
Head - Human Resources



Chirag Setalvad
Head - Equities



Harish Narayanan
Chief Digital and Marketing Officer



Leena Vijayvargiy
Chief Risk Officer



Naozad Sirwalla
Chief Financial Officer



Rajiv Maniar
Head - Sales and Distribution



Sameer Seksaria
Head - Corporate Client Services



Shobhit Mehrotra
Head - Fixed Income



Simal Kanuga
Head - PMS Sales, New Initiatives, Product Development, International Business and Chief Investor Relations Officer (AMC)



Sonali Chandak
Company Secretary and Head - Legal



Supriya Sapre
Chief Compliance Officer



V Suresh Babu
Head - Operations

Our Investment Team

Abhishek Mor
Fund Manager and Dealer -Equities

Abhishek Poddar
Senior Equity Analyst and Fund Manager

Amit Sinha
Senior Equity Analyst and Fund Manager

Anand Laddha
Fund Manager - Equities and Senior Equity Analyst

Anil Bamboli
Senior Fund Manager - Fixed Income

Anupam Joshi
Senior Fund Manager - Fixed Income

Arun Agarwal
Fund Manager and Dealer - Equities

Balakumar B
Senior Equity Analyst and Fund Manager

Bhagyesh Kagalkar
Senior Equity Analyst and Fund Manager

Bhavyesh Divecha
Co-Fund Manager, Credit Analyst and Backup Dealer - Fixed Income

Chirag Setalvad
Head - Equities

Dhruv Muchhal
Equity Analyst and Fund Manager for Overseas Investments

Gopal Agrawal
Senior Fund Manager - Equities

Nikhil Mathur
Senior Equity Analyst and Fund Manager

Praveen Jain
Senior Credit Analyst and Fund Manager

Priya Ranjan
Senior Equity Analyst and Fund Manager

Rahul Baijal
Senior Fund Manager – Equities

Rakesh Sethia
Senior Equity Analyst and Fund Manager

Roshi Jain
Senior Fund Manager - Equities

Sankalp Baid
Co-Fund Manager and Backup Dealer - Fixed Income

Shobhit Mehrotra
Head - Fixed Income

Srinivasan Ramamurthy
Senior Fund Manager - Equities

Swapnil Jangam
Fund Manager and Dealer - Fixed Income

Statutory Reports

Management Discussion and Analysis	48
Director's Report	70
Business Responsibility and Sustainability Report	92
Independent Assurance Statement	134
Corporate Governance Report	137

Management Discussion and Analysis

Macroeconomic Update

FY 24-25 witnessed divergence in growth across major economies amidst heightened global uncertainties. It was a year when more than half of the world went to polls. The results led to pivotal changes in macroeconomic policies, led by the US. Driven by strong consumer spending, private investments, robust services sector and a tight labour market, economic growth defied estimates. But the policy shocks introduced by the new US administration, including tariffs and firing of government employees have led to a slowdown in Q1CY25 and might signal an end to US exceptionalism. While Europe avoided recession in CY24, growth in the days ahead must be looked at cautiously as geopolitical instability and resultant gas price volatility continues to put pressure on European manufacturing competitiveness and cost of living. China saw subdued economic growth in the last one year mostly on account of sluggish domestic demand and a subdued property sector.

Falling inflation prompted major central banks to commence the rate cut cycle. However, last mile disinflation has proved to be sticky, led by robust demand for services in Advanced Economies (AE) and tight labour market in the US.

Key developments of FY 24-25:

- Elections were held in major economies such as the US, Germany, France, India etc. The US saw Donald Trump elected as the President.
- Globally, interest rate cut cycle commenced. ECB has cut rates by 125bps since June 2024, US Fed has cut by 100bps since September, while the RBI undertook its first rate cut (25bps) in February 2025.
- Japan undertook a rate hike cycle and increased its policy rates to 0.5%, highest since GFC. Japan's tight monetary policy stance was a response to the elevated inflation levels in the country.
- India became a part of the JP Morgan Index in June 2024. This has facilitated flows in the Indian debt market.
- China announced a USD1.4trn stimulus aimed at easing local government financing strains and stabilising economic growth.
- Major European countries undertook a shift in fiscal policy. Germany announced in March 2025 that it plans to loosen its constitutionally enshrined limit on annual borrowings.
- The incoming US President issued 159 executive actions since the inauguration of his Presidency. These actions include reciprocal tariffs on all countries, mass firing of employees from various government departments, stringent measures to enforce actions against illegal immigration, withdrawing the US from the WHO etc.

GDP growth slowed down in 9MFY25: India's GDP grew by 6.1% YoY in 9MFY25 (as against an upwardly revised growth rate of 9.5% YoY in 9MFY24). The slowdown was led by sectors such as manufacturing, construction and services. Agriculture was the only bright spot as good rainfall ensured a bountiful Kharif harvest. On the demand side, private consumption demand remained robust due to rural spending but investment growth halved due to weak private investments and slowdown in government's infrastructure spending.

(YoY change %)

Particulars	9MFY24	9MFY25
GDP	9.5	**6.1**
Private Consumption	5.3	**6.8**
Government Consumption	8.9	**3.6**
Gross Capital formation	11.1	**5.8**
Gross Fixed Capital formation	9.8	**6.0**
Exports	0.2	**6.9**
Imports	14.5	**-1.5**

(YoY change %)

Particulars	9MFY24	9MFY25
GVA	9.0	**6.2**
Agriculture, Forestry and Fishing	3.3	**4.0**
Industry	11.3	**5.6**
Manufacturing	12.7	**4.3**
Construction	11.1	**8.5**
Services	9.4	**7.1**
Trade, Hotels, Transport, etc.	8.0	**6.1**
PADO	8.9	**8.9**

Source: MoSPI, CEIC, Ambit Capital research.

Note: Public Administration and Defence (PADO)

Going forward, factors that are expected to support India's growth are resilient rural consumption, revival in government spending and easing of monetary conditions. However, impact of US tariffs, tepid private investments and adverse weather conditions remain key risks for this growth outlook.

Indian economic activity improved in March 2025: The high frequency indicators were better in March in comparison to February 2025 as indicators such as PV sales, power demand and digital spending recorded better growth when compared to the previous month. Both manufacturing and services sectors were robust. However, two-wheeler, tractor and commercial vehicle sales continued to be subdued.

Indicators	Units	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Retail registration- Auto@								
2W	YoY, %	-8.3	36.8	16.3	-17.3	4.7	-6.0	-1.6
PV		-16.3	38.3	-11.5	0.0	18.3	-8.3	5.1
MHCV		-8.1	1.0	-8.7	-4.5	4.3	-9.0	-1.2
LCV		-8.7	12.1	-1.1	-6.5	12.1	-7.4	0.9
Tractors		12.9	1.8	28.8	25.0	3.9	-16.1	-7.0
Gross GST collection		6.5	8.9	9.4	7.3	12.3	9.1	9.9
Average E-Way bill generated		18.5	16.9	16.3	17.6	23.1	14.7	20.2
Power demand		0.4	0.9	4.0	5.9	2.4	2.4	6.7
Digital Spending (UPI+IMPS)		26.0	32.2	19.3	22.3	22.7	15.2	20.4
Manufacturing PMI^		56.5	57.5	56.5	56.4	57.7	56.3	58.1
Services PMI^	Index	57.7	58.5	58.4	59.3	56.5	59	58.5
Unemployment*	%	7.8	8.7	8.0	7.8	7.9	8.4	7.7

Source: www.gstn.org.in, www.icegate.gov.in, CMIE, PIB, RBI, www.vaahan.parivahan.gov.in, www.posoco.in

^ Number >50 reflects expansions and number <50 reflects contraction compared to previous month.

@ Figures are preliminary data and are subject to revision.

* Based on CMIE survey.

Going forward, income tax relief and easing monetary conditions are expected to boost urban demand while rural demand is likely to remain resilient on the back of strong kharif output and better rabi prospects. However, global uncertainties resulting from restrictive trade policies may dampen sentiment and could affect India's growth to some extent.

Central government finances in a comfortable position: Income tax collections surprised on the upside in FY 24-25, but indirect collections have been sluggish. Higher-than-expected dividends from the RBI and PSUs compensated for the subdued disinvestment and corporate tax collections. Although capex picked up in the second half, it remains marginally above 11MFY24 levels. The government is likely to meet the fiscal deficit target in FY 24-25 as per the revised estimates.

(₹ in Billion)

Particulars	11MFY24	11MFY25	YoY change (%)
Gross tax revenue	28,899	**32,042**	10.9
Direct Tax Collections	15,651	**17,586**	12.4
Indirect Tax collections	12,875	**13,895**	7.9
Less: Share of states & others	10,404	**11,886**	14.2
Net Tax collections	18,495	**20,156**	9.0
Non-tax revenues	3,603	**4,933**	36.9
Total revenue receipts	22,098	**25,090**	13.5
Total Capital receipts	361	**374**	3.4
Total Receipts	22,459	**25,463**	13.4
Total Revenue Expenditure	29,417	**30,813**	4.7
Total Capital Expenditure	8,056	**8,119**	0.8
Total Expenditure	37,473	**38,932**	3.9
Fiscal Deficit	15,014	**13,469**	-10.3
Fiscal deficit (% of RE)	86.5%	**85.8%**	
Fiscal deficit (% of GDP)	5.0%	**4.1%**	

Source: CMIE

Current account deficit widens: India's CAD widened in the first nine months of FY 24-25 due to higher oil and gold imports. But the deficit was limited by falling non-oil, non-gold imports and sustained growth in services exports, led by a rise in GCCs. Heightened global uncertainties and sharp dollar movements affected India's capital account which moderated significantly during the first nine months of FY 24-25. India's foreign flows remained weak, but debt flows remained buoyant, supported by passive flows due to India's entry into the JP Morgan Bond index.

(₹ in Billion)

Particulars	9MFY24	9MFY25	YoY change (%)
Trade (Deficit)/Surplus	(192.9)	**(227.2)**	34.3
Net Oil Imports	(68.1)	**(91.9)**	23.8
Net Gold Imports	(31.4)	**(44.7)**	13.2
NONG net imports	(90.2)	**(84.8)**	-5.4
Net Invisibles exports Surplus/ (Deficit)	162.2	**190.1**	27.9
Current account deficit	(30.7)	**(37.1)**	6.4
% of GDP	1.1%	**1.3%**	
Capital Account Surplus/(Deficit)	63.9	**22.7**	-41.2
FDI	7.8	**1.6**	-6.3
FII	32.7	**9.4**	-23.3
Trade credits, ECBs, etc.	2.7	**23.2**	20.5
Banking Capital	33.6	**-0.8**	-34.4
Currency & Deposit	9.3	**13.3**	4.0
Others	-12.9	**-10.7**	2.3
Balance of Payments	32.5	**55.3**	22.8

Source: CMIE

Retail inflation cools in FY 24-25, likely to moderate further in FY 25-26: CPI inflation moderated by 70bps in FY25 but was not broad-based as food inflation remained elevated for most of the year. Food inflation remained persistently high in 1HFY25, propelled by increased prices of vegetables, fruits and pulses. However, food prices fell in the 2HY25, led by softening of vegetable prices. As fuel and commodity prices remained benign, core inflation remained low but has been increasing in recent months due to surge in gold prices.

(%)

Particulars	FY24	FY25	YoY change (%)
CPI	5.4	**4.6**	-0.7
Food & beverages	7.0	**6.7**	-0.3
Fuel and Light	1.3	**-2.5**	-3.7
Housing	3.9	**2.8**	-1.1
Transportation & communication	1.9	**2.3**	0.4
Core CPI[@]	5.1	**4.1**	-1.0

Source: CMIE

[@] CPI excluding food, fuel, transportation & housing.

CPI inflation is likely to fall further from these levels on the back of falling food prices and benign core inflation momentum (ex of gold).

Commodity prices: Low base effect and green shoots in Chinese industrial data led to rise in prices of metals, such as copper and zinc, but Chinese over-capacity and a weak global demand environment led to further correction in steel prices. Uncertainties persisted in FY 24-25, leading to strong correction in crude prices despite sanctions on Russia. In the current environment of political and global uncertainties, central banks have increased their purchase of gold as the yellow metal is increasingly being seen as a hedge against crisis.

Particulars	Market price (USD)*	FY24 (%)^	FY25 (%) ^
Brent Crude (per barrel)	75	9.7	**-14.6**
Gold (per ounce)	3,124	13.2	**40.1**
Steel (per tonne)	465	-19.1	**-10.1**
Zinc (per tonne)	2,836	-18.8	**18.5**
Copper (per tonne)	9,673	-2.3	**10.8**
Aluminium (per tonne)	2,518	9.7	**-3.4**
Lead (per tonne)	2,002	-8.4	**1.9**

Source: Bloomberg

* Market prices as on March 31, 2025.

^ YoY change

Summary and Conclusion

Global growth momentum has moderated across major economies, including AEs like the US and EU. USA's policy on trade and immigration will have a bearing on growth inflation dynamics for not just the US, but for all major economies. The impact of US tariffs will have to be monitored closely and will depend on how other countries respond to the tariffs.

India's growth momentum moderated sequentially in FY 24-25, but services and agriculture sectors remained robust. Going forward, growth in FY 25-26 is expected to moderate in comparison to FY 24-25 but is likely to be better than most global peers. Private consumption is also expected to get a boost going forward due to income tax relief announced by the government and monetary easing by the Reserve Bank of India (RBI). Further, private corporate sector capital expenditure has potential to accelerate in view of low leverage, increasing capacity utilisation, consistent corporate profitability and a robust banking sector balance sheet. However, a difficult external environment due to trade uncertainties could dampen investment sentiments. Comfortable current account deficit (due to better-than-expected services export) and adequate forex reserves have also fared well for India's external sector. However, an escalation in geopolitical tensions and the possibility of a trade war are key risks to this growth outlook.

Looking ahead, the medium-term outlook for the Indian economy seems optimistic, driven by policy continuity, benefits from production-linked incentive schemes, opportunities arising from shift in the global supply chain and the likely boost to private consumption due to income tax relief and lower borrowing cost.

Equity Market Update

Indian equity markets saw broad based moderation in returns in FY 24-25. NIFTY 50/BSE Sensex ended the year with 5.3% and 5.1% returns, respectively (compared to 25.6% and 24.9% returns in FY 23-24). Returns of small and mid-cap indices also moderated significantly in comparison to FY 23-24. A new administration in the US and the resultant global trade uncertainty, interest rate cuts by major global central banks and China's announcement of stimulus measures contributed to the moderate performances. While Healthcare, Banks, Metals and Capital goods outperformed, Power, Auto and Oil and Gas underperformed.

Globally most equity indices ended the year with strong gains with French, Korean and Japanese markets underperforming. Below are detailed tables outlining the performance of key domestic and global indices:

(% change in Indices)

Particulars	FY24	FY25
Domestic indices		
BSE Healthcare	60.2	**18.2**
BSE Bankex	16.3	**11.3**
BSE Metal	47.0	**9.3**
BSE Capital Goods	77.3	**2.9**
BSE Information Technology	25.2	**1.3**
BSE Fast Moving Consumer Goods	17.2	**0.7**
BSE Power	85.9	**-1.7**
BSE Auto	74.0	**-2.9**
BSE Oil & Gas	59.0	**-9.1**
NIFTY Midcap 100	60.1	**7.5**
NIFTY Smallcap 100	69.8	**5.4**
NSE Nifty 50 Index	28.6	**5.3**
BSE Sensex	24.9	**5.1**
Global indices		
Hang Seng	-18.9	**39.8**
DAX	18.3	**19.9**
Shanghai Composite	-7.1	**9.7**
FTSE 100	4.2	**7.9**
S&P 500	27.9	**6.8**
NASDAQ Composite	34.0	**5.6**
MSCI Emerging Markets	5.3	**5.6**
CAC 40	12.1	**-5.1**
KOSPI	10.9	**-9.7**
Nikkei 225	44.0	**-11.8**

Source: Bloomberg

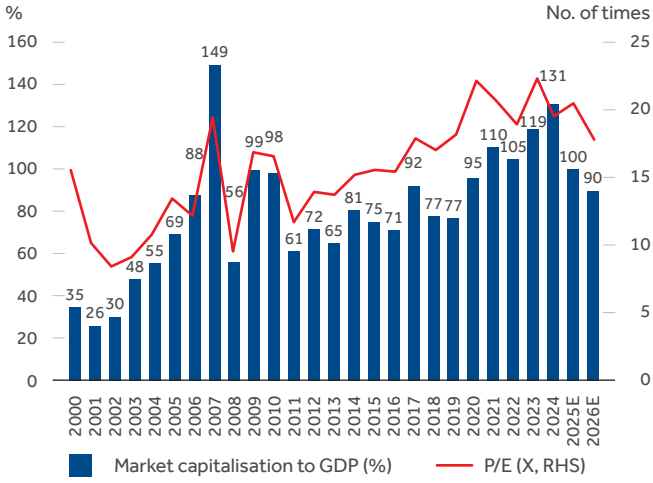
FIIs bought net equities worth USD 0.2 billion in March 2025 (February 2025: net sell USD 5.4 billion) and have cumulatively sold equity worth USD 15.7 billion in FY25 (FY24: Net buy of USD 25.2 billion).

DIIs bought net equity worth USD 4.3 billion in March 2025 (February 2025: USD 7.4 billion) and have cumulatively bought USD 71.7 billion in FY25 (FY24: USD 25.3 billion). Net Mutual fund flows were ~₹ 31,230 crore in February 2025 (January 2025: ~₹ 42,373 crores) and cumulatively amounted to ~₹ 431,766 crore in 11MFY25 (11MFY24: ~₹ 190,393 crore).

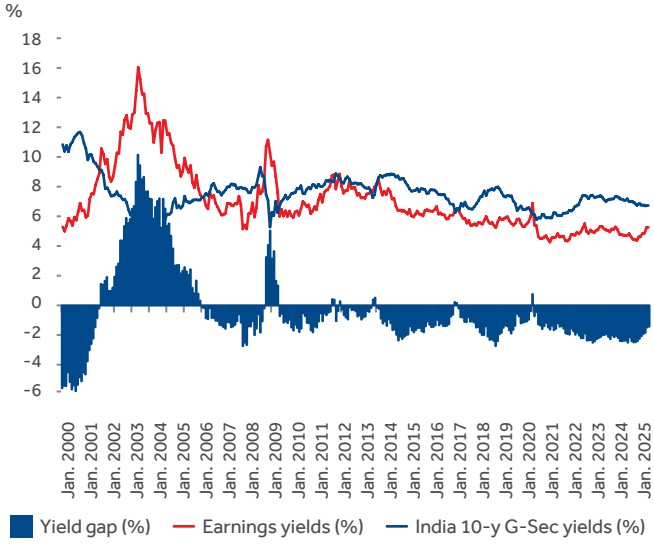
Outlook

As on March 31, 2025, NIFTY 50 Index was trading at ~19x FY26E price to earnings multiple. Further, Market cap-to-GDP stood ~90% (based on CY25 GDP estimates) and the gap between 10Y G-sec yield and 1Y-Forward NIFTY 50 Index earnings yield has widened post the recent rally [*Earnings yield = 1/ (one year forward P/E)].

Market capitalisation to GDP



10Y Gsec and NIFTY Earning Yield



Source: Kotak Institutional Equities; For 2025 and 2026, the market cap as on March 31, 2025 is taken and divided by GDP estimates for CY25 and CY26

After the recent rally, the valuations of many sectors are trading at premium to historical averages except Private Banks and Automobiles. (refer to the table below for details):

Particulars	12 months forward Price To Earnings		
	March 31, 2025	LTA	Discount / Premium^
Cement	45.7	29.4	55
Utilities	16.3	11.2	46
Industrials	33.6	26.8	25
Metals	11.5	10.1	14
Pharma	27.2	24.2	12
Energy	13.7	12.4	11
Tech	22.9	20.9	9
PSU banks@	1.2	1.1	9
Consumer Discretionary	56.2	54.2	4
FMCG	36.6	35.8	2
Pvt banks@	2.3	2.5	-8
Automobiles	18.0	19.9	-10

Source: Kotak Institutional Equities. Stocks are part of Kotak Institutional Equities universe.

LTA – 10 Years average. Cells in green are sectors which are trading at premium. All figures are calculated based on 12 months forward estimates.

^ to Long term (LT) average.

@ Price to Book value.

March rally has pushed valuations at premium to historical averages. Given the global uncertainties and aggregate valuation being higher than the historical average, the importance of stock selection increases even more.

Over the medium to long term, structurally robust domestic growth outlook, healthy corporate profitability, strong macroeconomic fundamentals and supportive pro-growth policies are anticipated to bode well for Indian equities. However, near-term risks include global trade uncertainties and resultant moderation in global growth, cyclical moderation in corporate earnings, slowdown in government's reforms momentum etc.

Debt Market Update

Major central banks undertook synchronised rate cuts (except Japan which undertook rate hike) in FY 24-25. The US exhibited exceptionalism with falling inflation and strong growth. It provided the Fed with the opportunity to cut policy rate by 100bps during the year. In Europe, Germany announced plans to loosen its constitutionally enshrined limit on annual borrowings. By the end of the year, 10-year Government bond yields were lower by just 10bps in the US and 48bps in China. It was higher by 44bps in EU and by 75bps in Japan.

In India, 10-year Government bond yield fell by 48bps during the year ending, at 6.58%, as inflation started to fall in line with 2HFY25 and the RBI initiated its first rate cut in February 2025. Towards the end of the fiscal year, targeted efforts by the RBI to improve liquidity helped cool yields. 10-year AAA corporate bond yields also witnessed decline of 23bps during the year and the spread between 10 year AAA and 10 year Gsec widened by 20bps. Average liquidity remained in large deficit mode due to FII outflows from equity markets post September. But liquidity conditions improved significantly due to RBI's intervention towards the end of the fiscal year. The table below gives a summary view of the movement of key rates and liquidity:

Particulars	FY24	FY25	Change (in bps)
MIBOR Overnight Rate (%)	7.90	7.20	-0.70
3M Gsec yield (%)	7.01	6.52	-0.49
10 Year Benchmark G-Sec Yield^ (%)	7.06	6.58	-0.48
AAA 10 Year Corporate Bond Yields#,& (%)	7.43	7.2	-0.23
AAA 10Y Corporate bond spread against 10Y benchmark@ (bps)	37	57	0.20
Average net liquidity absorbed/infused by RBI* (₹ billion)	-55	-70	

^ bi-annual yield

annualised yield

& Average yield of NABARD paper provided by independent valuation agencies has been taken.

@ Spreads calculated by subtracting non-annualised Gsec yields from annualised corporate bond yields.

* Average net daily liquidity infused/absorbed through Liquidity Adjustment Facility, exports refinance, marginal standing facility and term repos/reverse repos.

Source: Bloomberg, RBI

Average net liquidity deficit increased to ~₹70 Billion in FY 24-25, from ~₹55 Billion in FY 23-24. The average net liquidity deficit had widened to ~₹2.82 Trillion in January 2025 but improved thereafter due to RBI measures. These steps should ensure sufficient liquidity in the coming months.

Particulars	~₹ Billion
Durable measures	
CRR cut	1,160
OMO purchases	3,634
FX swaps (3 year)	1,740
Frictional measures	
FX swaps (6 months)	440
Term repo auctions	1,830
Total	8,804

Source: RBI

In the debt market, FPIs ended the year with net buying of USD 18.2 Billion in FY 24-25 (FY 23-24 net buy: USD 13.2 Billion).

Outlook

FY 24-25 witnessed relative stability from the debt market perspective. Liquidity conditions tightened post September 2024 due to FII outflows from Indian equities. However, RBI action to ease liquidity conditions through a host of measures (OMO purchases, currency swaps VRRs etc.) since December 2024 helped bring down the deficit and liquidity is likely to be in reasonable surplus in the coming months. The government also followed its fiscal consolidation path, a positive development from the perspective of the debt market. The RBI has highlighted that CPI inflation is likely to touch a low of 3.8% YoY by Q3FY26 (before rising marginally to 4.2% in Q4FY26). However, global trade environment has become uncertain amidst sweeping tariffs by the US.

The medium-term outlook on Indian fixed income market remains favourable, considering:

- Headline CPI is likely to trend towards RBI's target (4%) as pressure from food inflation dissipates due to expectations of good crop production. Also, domestic growth and Core CPI momentum is expected to remain subdued on the back of moderating urban consumption.
- External sector could remain comfortable in view of the steady growth in services exports, decline in oil prices and adequate foreign exchange reserves. Pressure on INR is likely to ease after witnessing increased volatility over the past few months.
- Government sticking to the path of fiscal consolidation and reiterating its commitment to bring down debt to GDP bodes well for supply of Gsecs over the medium term.
- Global growth likely to take a significant hit due to imposition of tariffs by the US.

Key risks to the favourable outlook

- A trade war may lead to increase in overall prices of goods
- If the monsoon remains below normal

Overall, yields are likely to remain rangebound with a downward bias. Falling inflation and further potential policy rate cut could be positive from yields perspective. Thus, in view of convergence of short-term rates, attractive corporate bonds spreads (over Gsec), expectations of more rate cuts and improved liquidity is likely to attract investment in medium duration (schemes with duration of upto 5 years) categories, especially corporate bonds and focused funds. Further, investors with a relatively longer investment horizon, could continue to increase allocation to longer duration funds, in line with individual risk appetite.

Source for various data points: Bloomberg, NSDL, CMIE, RBI, Kotak Institutional Research, World Bank, Daily valuation provided by ICRA/ CRISIL

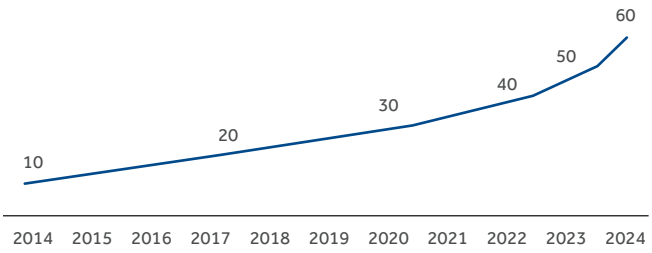
A3. Industry environment

The Indian mutual fund industry has come a long way since its inception in 1963, evolving over six decades into a dynamic and trusted investment ecosystem.

It took decades for investors to gradually embrace mutual funds as a vehicle for long-term wealth creation. A key milestone was reached in May 2014, when the industry's AUM crossed ₹ 10 Trillion, marking the start of a new phase of growth. What followed was a sharp acceleration in scale. AUM more than doubled to ₹ 20 Trillion by August 2017, reached ₹ 30 Trillion by November 2020 and surged to ₹ 40 Trillion by November 2022. The momentum continued, with AUM climbing to ₹ 50 Trillion in December 2023 in just 13 months and ₹ 60 Trillion by June 2024, in a record six months. This rapid and consistent expansion highlights the sector's sustained momentum and the growing confidence of investors.

Growth of Mutual Fund Industry AUM

(₹ Trillion)

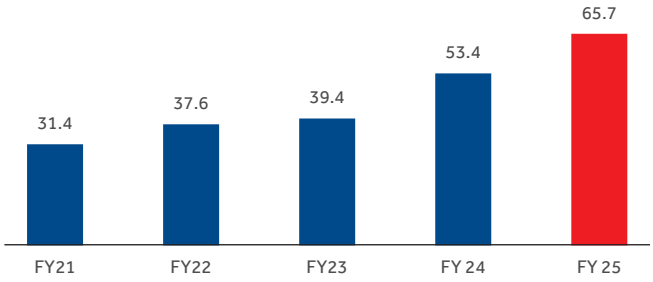


As of March 31, 2025, the Indian Mutual Fund industry's AUM stood at ₹ 65.7 Trillion, reflecting a strong YoY growth of 23% from ₹ 53.4 Trillion in March 2024. Equity-oriented assets accounted for 58% of the total AUM.

During FY 24-25, the industry recorded net inflows of ₹ 8.2 Trillion. Actively managed equity-oriented funds were the primary growth driver, accounting for ₹ 4.9 Trillion. Debt and liquid funds garnered ₹ 1.3 Trillion, while the 'Others' category - which includes ETFs, arbitrage funds and domestic fund of funds added another ₹ 1.3 Trillion. Index funds across both equity and debt segments contributed ₹ 0.6 Trillion. New Fund Offerings contributed to overall inflows during the year, garnering ₹ 1.08 Trillion, with active equity-oriented funds accounting for ₹ 0.9 Trillion of this amount.

Closing AUM

(₹ Trillion)

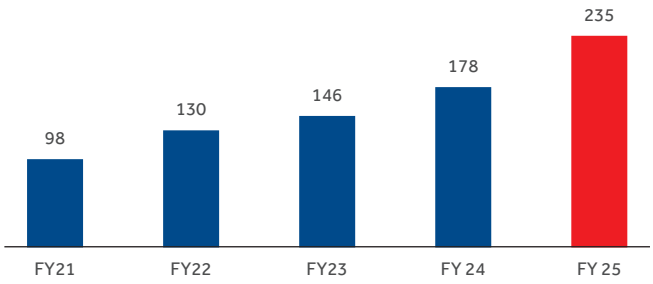


Source: AMFI

The industry witnessed a substantial increase in participation. The total number of folios rose by 32% to 234.5 million as of March 31, 2025, up from 177.9 million a year earlier. The industry's unique investor base expanded to 54.2 million, with the addition of 9.7 million new investors. This growth reflects the increasing appeal of mutual funds as a mainstream investment option, particularly among retail investors.

MF Industry Folios

(Million)



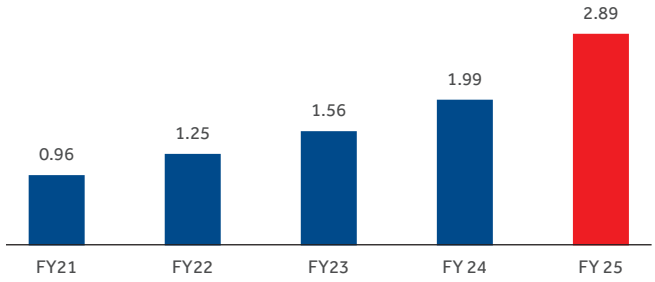
Source: AMFI. Data as of March 31 for each year

The industry continued its upward trajectory in monthly SIP flows, supported by a growing investor base and consistent participation. As of March 2025, the number of contributing SIP accounts rose to 81.1 million, up from 63.8 million in April 2024. Total SIP contributions for FY 24-25 reached ₹ 2.9 Trillion, a significant increase from ₹ 2.0 Trillion in FY 23-24.

Monthly SIP inflows in March 2025 stood at ₹ 259 Billion, remaining resilient at 98% of their record high. This marked a robust 35% year-on-year growth over March 2024, despite heightened market volatility and global uncertainties. Such sustained participation reflects the growing maturity, confidence and long-term orientation of Indian investors, reiterating their commitment to disciplined wealth creation through systematic investing.

MF SIP Flows

(₹ Trillion)



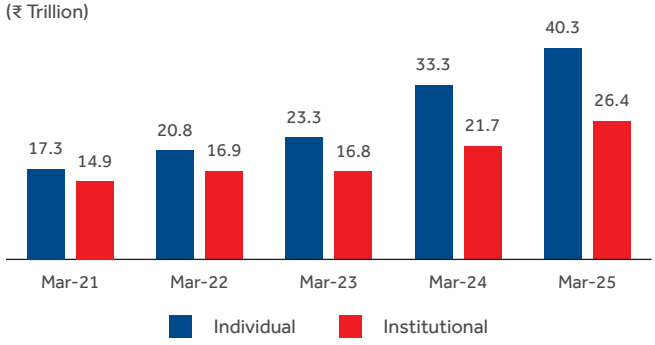
Source: AMFI

Individual investors have played a crucial role in driving the continued growth of the mutual fund industry. As of March 2025, their strong participation contributed ₹ 40.3 Trillion to the AUM - a growth of 21% YoY, representing 60% of the total Monthly Average AUM (MAAUM). The surge in retail investor involvement can be attributed to a combination of factors, including enhanced financial literacy, the widespread adoption of digital platforms and market performance. As a result, mutual funds are increasingly viewed as a reliable and accessible vehicle for achieving financial goals, particularly in a dynamic and evolving market environment.

At the same time, institutional investors contributed ₹ 26.4 Trillion to the industry's AUM, accounting for the remaining 40% of the total MAAUM. This balanced participation between individual and institutional investors is a testament to the sector's broad appeal and the increasing recognition of mutual funds as a key component in diversified investment portfolios.

MAAUM by Investor Type

(₹ Trillion)



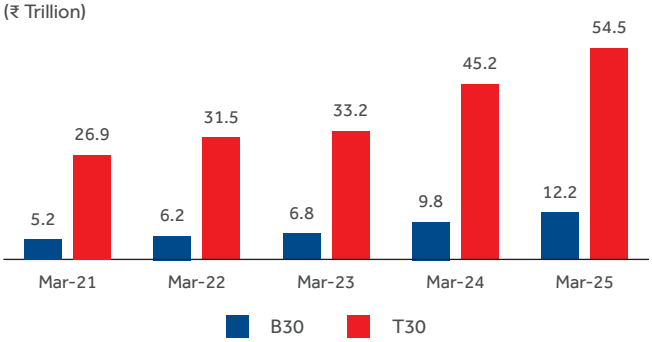
Source: AMFI

In March 2025, the top 30 cities accounted for 82% of the total MAAUM, while the B30 cities, comprising 18% of the overall MAAUM, contributed an impressive 28% to equity MAAUM. Furthermore, over 40% of the SIP contributions collected in March 2025 originated from beyond the top 30 cities.

The growing participation from B30 cities highlights the mutual fund industry's expanding role in promoting financial inclusion. This positive trend is expected to continue, driven by the increased adoption of digital platforms and targeted financial literacy initiatives.

MAAUM by Cities

(₹ Trillion)



Source: AMFI

Indian MF industry trends

The Indian mutual fund industry has continued to exhibit resilience and robust growth, achieving a strong CAGR of 24% over the last five years. This sustained expansion reflects the industry's agility in navigating evolving market dynamics and its ability to align with the changing preferences of a growing investor base.

FY 24-25 marks the thirteenth consecutive year of positive net inflows for the mutual fund industry - a milestone that underscores its enduring appeal. Over the past five fiscal years, the industry has garnered net inflows of ₹ 17.1 Trillion, with active equity-oriented funds accounting for ₹ 10.4 Trillion of this total. This consistent influx of capital highlights investor confidence in equity markets and a deepening conviction in mutual funds as an effective long-term wealth creation vehicle.

Among the most transformative trends has been the sharp rise in Systematic Investment Plans (SIP). Monthly SIP contributions have tripled, from ₹ 86 Billion in March 2020 to ₹ 259 Billion in March 2025. This significant increase signals a fundamental shift in investor behaviour - towards greater financial discipline, long-term commitment and a maturing investment mindset among Indian households.

Healthy growth of mutual fund AUM in India

(₹ in Trillion)

	2020	2021	2022	2023	2024	2025
Equity-oriented AUM	8.26	13.00	18.08	19.98	30.43	**38.21**
Debt-oriented AUM	7.76	10.58	9.51	9.19	9.99	**11.86**
Liquid AUM	4.15	4.08	4.48	4.28	4.25	**5.00**
Other AUM	2.09	3.77	5.48	5.97	8.74	**10.68**
Total	**22.26**	**31.43**	**37.57**	**39.42**	**53.40**	**65.74**

Source: AMFI. Data as of March 31 each year.

From FY 2022, Equity AUM data includes equity-oriented index funds and Debt AUM includes debt-oriented index funds.

Review of Business

B1. Business overview

HDFC AMC offers a comprehensive suite of mutual funds, portfolio management services and alternative investment funds across asset classes, including equity, fixed income, hybrid and multi-asset solutions. These offerings are available on both active and passive platforms, catering to a broad and diverse customer base.

HDFC AMC acts as an investment manager to HDFC Mutual Fund - one of India's leading mutual funds. It has reported a closing AUM of over ₹ 7.5 Trillion. We serve over 13.2 million unique investors through 23.3 million live accounts. With a strong nationwide presence across 280 offices and a network of over 95,000 distribution partners, we utilise modern digital platforms to efficiently cater to the needs of clients across India.

Additionally, we have a wholly owned subsidiary - HDFC AMC International (IFSC) Limited in Gujarat International Finance-Tech City (Gift City) offering investment management, advisory and related services.

B2. Operational performance review

FY 24-25 was a year of strong operational execution and continued growth for HDFC AMC. Against the backdrop of a robust expansion of the Indian mutual fund industry, we delivered healthy performance across key business parameters.

We crossed ₹ 7.5 Trillion in overall AUM, maintaining our position among leading asset managers in the country. Our market share stood at 11.5% in terms of overall AUM. Within this, equity-oriented assets contributed over ₹ 5 Trillion. On a closing AUM basis, our market share in actively managed equity-oriented schemes stood at 12.9%, while we held 13.1% and 11.9% in the debt and liquid segments, respectively.

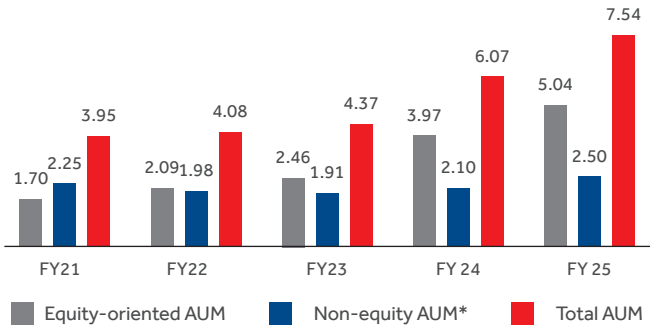
Our distinction as one of the preferred choice for individual investors is underscored by our MAAUM market share, which stood at 13.2% as of March 2025.

During the year, we expanded our product suite with 7 NFOs, bringing the total to over 100 products. In FY 24-25, we opened 26 new offices, expanding our network to 280 offices.

Total Annual Average AUM (AAAUM) for FY 24-25 was at ₹ 7.48 Trillion versus ₹ 5.44 Trillion for FY 23-24. AAAUM for actively managed equity-oriented schemes increased by 49% to ₹ 4.54 Trillion from ₹ 3.04 Trillion.

Closing AUM

(₹ Trillion)

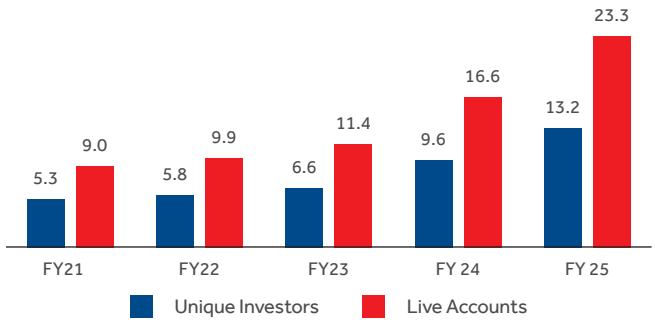


* Includes ETF, Arbitrage and FoF - Investing overseas

Systematic Investment Plans remained a key driver of retail participation, with monthly inflows showing year on year growth. Our ability to attract and retain long-term investors continues to be a cornerstone of our operational strategy. During FY 24-25, HDFC AMC processed 120.9 million systematic transactions, comprising Systematic Investment Plans and Systematic Transfer Plans, amounting to ₹ 430 Billion.

Number of Investors

(Million)



B3. Financial Performance

Standalone Financial performance review

- Our Company's Total Income has increased by 28.33% to ₹ 4,058.26 Crore in FY 24-25
- Operating Profit (Profit Before Tax less Other income) increased by 43.47% to ₹ 2,726.21 Crore in FY 24-25
- Profit Before Tax (PBT) stood at ₹ 3,286.44 Crore and grew by 32.61% over FY 23-24
- Profit After Tax (PAT) stood at ₹ 2,461.05 Crore and grew by 26.47% over FY 23-24
- Average Networth increased by 15.36% to ₹ 7,606.61 Crore in FY 24-25
- Return on Equity (ROE) increased from 29.51% in FY 23-24 to 32.35% in FY 24-25

Financial performance with respect to our operations

The financial statements have been prepared and presented on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time.

Indian Accounting Standards (Ind AS) – IFRS Converged Standards

The Company had adopted Ind AS with effect from April 01, 2018.

Material accounting policies used for the preparation of the financial statements are disclosed in Note 3 to the financial statements.

The following table sets forth selected financial information from our Statement of Profit and Loss for FY 24-25 and FY 23-24.

(₹ in Crore)

PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024	% Change
Revenue from Operations	**3,498.03**	2,584.37	35.35
Other Income	**560.23**	578.06	(3.08)
Total Income	**4,058.26**	**3,162.43**	**28.33**
Finance Costs	**9.41**	9.09	3.52
Fees and Commission Expenses	**3.86**	2.48	55.65
Employee Benefits Expenses	**388.25**	353.46	9.84
Depreciation, Amortisation and Impairment	**58.41**	52.26	11.77
Other Expenses	**311.89**	266.95	16.83
Total Expenses	**771.82**	**684.24**	**12.80**
Profit before Tax	**3,286.44**	**2,478.19**	**32.61**
Current Tax	**730.17**	517.52	41.09
Deferred Tax Charge / (Credit)	**95.22**	14.79	543.81
Tax Expense	**825.39**	**532.31**	**55.06**
Profit after Tax	**2,461.05**	**1,945.88**	**26.47**

Revenue from Operations

Revenue from operations comprises of investment management fees from Mutual Fund and portfolio management services (PMS), Alternative Investment Fund (AIF) and other advisory services fee.

Investment management fees from Mutual Fund consists of fees from various schemes which invest in different categories of securities like equity, debt etc. In general, fees per unit of AUM from schemes investing in equity securities are substantially higher than schemes investing in debt securities. Within each of these categories of funds, there are variations in the fees per unit of AUM based on factors like fund composition, fund size etc. Hence the quantum of fees is dependent on the size and composition of the AUM and if there are any changes therein, it leads to higher or lower fees on an overall basis.

The increase in Revenue from Operations from ₹ 2,584.37 Crore in FY 23-24 to ₹ 3,498.03 Crore in FY 24-25, was largely due to increase in investment management fee from Mutual Fund by 34.93% from ₹ 2,580.60 Crore in FY 23-24 to ₹ 3,481.91 Crore in FY 24-25. The said increase was a result of higher component of equity oriented schemes in the overall Annual Average AUM as well as higher total Annual Average AUM in FY 24-25 as compared to FY 23-24.

Other Income

Our other income largely comprises of income from investments which are generated from retained surpluses. Other income was ₹ 560.23 Crore in FY 24-25 as compared to ₹ 578.06 Crore in FY 23-24.

Finance Costs

Finance costs are on account of accounting treatment prescribed under Ind AS 116 - Leases, where the future lease payments are discounted to its present value and are un-wound subsequently, resulting in finance cost.

Fees and Commission Expenses

Fees and commission expenses primarily comprises of commissions paid to distributors for PMS, AIF and advisory business. Our fees and commission expenses increased from ₹ 2.48 Crore in FY 23-24 to ₹ 3.86 Crore in FY 24-25.

Employee Benefits Expenses

Our employee benefits expenses increased due to the following reasons:

- An increase in salaries and allowances of employees due to increase in certain emoluments for employees as well as increase in headcount in FY 24-25.
- Under Employees Stock Option Scheme - 2020 ('ESOS - 2020'), apart from stock options granted in the past year(s), the Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company had approved a further grant of 97,500 stock options representing 97,500 equity shares of ₹ 5 each to the eligible employees of the Company and its subsidiary.

In terms of ESOS - 2020, the options shall vest in three tranches. Each of these tranches consisting of 1/3 of the options granted shall vest on the completion of the 1st, 2nd and 3rd year from the date of the grant respectively. The total charge towards the outstanding stock options has decreased from ₹ 47.05 Crore in FY 23-24 to ₹ 22.49 Crore in the FY 24-25 and the same is appearing as expense under Share Based Payments to Employees.

Accounting for equity settled share based payment transaction (employee stock options) at fair value increases the non cash component of Employee Benefits Expenses and is also 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 and subsequent allotment of shares. Hence, this charge is neutral to Equity of the Company.

Accordingly, the employee benefit expenses increased by 9.84% from ₹ 353.46 Crore in FY 23-24 to ₹ 388.25 Crore in FY 24-25. However, excluding the above-mentioned non cash charge towards employee stock options, the employee benefit expenses has increased by ₹ 59.35 Crore.

Depreciation, Amortisation and Impairment

Our Depreciation, Amortisation and Impairment expense increased from ₹ 52.26 Crore in FY 23-24 to ₹ 58.41 Crore in FY 24-25, primarily due to higher depreciation charge on Right of Use Assets & Improvement of Rented Premises.

Other Expenses

Our other expenses increased by 16.83% from ₹ 266.95 Crore in FY 23-24 to ₹ 311.89 Crore in FY 24-25 primarily due to increase in 'New Fund Offer and Mutual Fund Expenses', 'Software Expenses and Allied Services', 'Trademark license fees' and 'KYC expenses related to Mutual Fund Investors'. This rise in expenditure was due to various business, technology and digital initiatives taken by the Company.

- Our New Fund Offer and Mutual Fund Expenses increased from ₹ 5.20 Crore in FY 23-24 to ₹ 11.37 Crore in FY 24-25 due to New Products launched during the current year.
- Our Software Expenses and Allied Services cost increased from ₹ 42.42 Crore in FY 23-24 to ₹ 48.38 Crore in FY 24-25 due to continuing enhancements on the technology front and digitisation initiatives during the current year.
- Our Trademark license fees for the FY 24-25 was ₹ 13.17 Crore as compared to ₹ 7.56 Crore for the FY 23-24.
- Our Outsourced Services Cost increased from ₹ 29.13 Crore in FY 23-24 to ₹ 33.95 Crore in FY 24-25 in line with business expansion.
- Our KYC expenses related to Mutual Fund Investors increased from ₹ 11.94 Crore in FY 23-24 to ₹ 15.33 Crore in FY 24-25 primarily due to higher number of investors onboarded in FY 24-25 as compared to FY 23-24.
- Our Corporate Social Responsibility expense increased from ₹ 31.29 Crore in FY 23-24 to ₹ 34.59 Crore in FY 24-25.

Profit Before Tax

As a result of the factors outlined above, our Profit Before Tax increased by 32.61% to ₹ 3,286.44 Crore in FY 24-25 from ₹ 2,478.19 Crore in FY 23-24.

Tax Expenses

Our total tax expenses increased by 55.06% to ₹ 825.39 Crore in FY 24-25 from ₹ 532.31 Crore in FY 23-24. Our current tax charge increased to ₹ 730.17 Crore in FY 24-25 from ₹ 517.52 Crore in FY 23-24. Our deferred tax charge increased to ₹ 95.22 Crore in FY 24-25 from ₹ 14.79 Crore in FY 23-24. The deferred tax charge is mainly on account of movement in fair value gains / losses on investments. Our effective tax rate, including deferred tax was at 25.12% and 21.48% for FY 24-25 and FY 23-24, respectively.

As per Finance (No.2) Act 2024, enacted in August 2024, the rates at which capital gains were taxed had changed and indexation benefit had also been withdrawn while calculating long term capital gains on investments. Consequently, the Deferred Tax Liability recognised by the Company on fair value gains on its investments as on March 31, 2024 has increased by ₹ 43.67 Crore thereby resulting in an additional tax charge and higher effective tax rate.

Profit After Tax

As a result of the factors outlined above, our Profit After Tax increased by 26.47% to ₹ 2,461.05 Crore in FY 24-25 from ₹ 1,945.88 Crore in FY 23-24.

Dividend

Your Directors have recommended a final dividend of ₹ 90 per equity share (1,800%) of Face Value of ₹ 5 each for FY 24-25 as compared to ₹ 70 per equity share (1,400%) for FY 23-24. Accordingly, the Dividend payout ratio for FY 24-25 would stand at 78.18%, up from 76.80% for FY 23-24.

Statement of Assets and Liabilities

The following table sets forth selected financial information from our Balance Sheet as at March 31, 2025 and March 31, 2024.

₹ (in Crore)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Assets		
Financial Assets	**8,474.40**	7,328.81
Non Financial Assets	**279.23**	228.74
Total Assets	**8,753.63**	**7,557.55**
Liabilities and Equity		
Financial Liabilities	**284.20**	245.58
Non Financial Liabilities	**335.29**	232.90
Total Liabilities	**619.49**	**478.48**
Total Equity	**8,134.14**	**7,079.07**
Total Liabilities and Equity	**8,753.63**	**7,557.55**

Financial Assets

Investments

Investments of the Company grew from ₹ 7,190.03 Crore in FY 23-24 to ₹ 8,288.87 Crore in FY 24-25.

- The increase in Investments carried at fair value through Profit or Loss from ₹ 6,892.53 Crore in FY 23-24 to ₹ 7,892.65 Crore in FY 24-25 is primarily due to net investment in mutual fund schemes and fair value changes.

Non Financial Assets

Non Financial Assets have increased to ₹ 279.23 Crore in FY 24-25 from ₹ 228.74 Crore in FY 23-24. This increase is primarily due to movement in Property, Plant and Equipment on account of increase in Right of Use Assets & Improvement of rented premises as more number of premises were taken on lease during FY 24-25.

Financial Liabilities

Financial Liabilities have increased to ₹ 284.20 Crore in FY 24-25 from ₹ 245.58 Crore in FY 23-24. This increase is primarily due to increase in Lease Liabilities as more number of premises were taken on lease during FY 24-25.

Non Financial Liabilities

Non Financial Liabilities have increased to ₹ 335.29 Crore in FY 24-25 from ₹ 232.90 Crore in FY 23-24. This increase is primarily due to movement in net Deferred Tax balances. A significant factor contributing to this movement is explained in the 'Tax Expenses' section above.

Total Equity

Total Equity has increased mainly due to higher retained earnings. Retained earnings represents the surplus profits after payment of dividend.

Key Financial Ratios

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	% Change
Annual Average AUM (₹ in Crore)	**748,070.62**	543,710.44	37.59
Profit After Tax as a % of Annual Average AUM	**0.33**	0.36	(8.08)
Debtors Turnover (times)^	**30.89**	18.66	65.54
Current Ratio (times)	**8.03**	6.78	18.44
Operating Profit Margin (%)	**77.94**	73.52	6.01
Net Profit Margin (%)	**60.64**	61.53	(1.45)

Note: Inventory Turnover Ratio is not applicable to the Company. Further, Interest Coverage Ratio and Debt Equity Ratio have not been presented as the Company is debt free as at March 31, 2025 and as at March 31, 2024. The finance costs appearing in the Statement of Profit and Loss is a result of accounting treatment under Ind AS 116 – Leases and accordingly, there is no obligation on the Company to service any interest cost.

^ Reason for increase in Debtors Turnover: The Debtors turnover has increased mainly due to increase in Revenue from Operations from ₹ 2,584.37 Crore in FY 23-24 to ₹ 3,498.03 Crore in FY 24-25 coupled with reduction in average collection period in FY 23-24 leading to lower average debtors in FY 24-25.

Return on Networth (Computed on Average Networth)

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	% Change
Networth at the Beginning of the Year	**7,079.07**	6,108.41	15.89
Networth at the End of the Year	**8,134.14**	7,079.07	14.90
Average Networth	**7,606.61**	6,593.74	15.36
Profit After Tax	**2,461.05**	1,945.88	26.47
Return on Average Networth (%)	**32.35**	29.51	9.62

Return on Average Networth increased from 29.51% in FY 23-24 to 32.35% in FY 24-25. This is due to a higher % change in PAT as compared to % change in Average Networth. PAT has increased mainly due to higher revenue from operations.

Wholly Owned Subsidiary

A Wholly Owned Subsidiary ('WOS') of the Company namely 'HDFC AMC International (IFSC) Limited', located in Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India, had been incorporated effective May 27, 2022 and was capitalised during the financial year 2022-23. The WOS is in the business of providing Investment Manager Services, act as a sponsor / settler for the GIFT AIF Funds and providing discretionary / non-discretionary portfolio management services to clients (PMS). As at the end of the reporting year, the WOS had commenced its business operations. The consolidated financial statements are also available in this annual report.

B4. Outlook

The Indian mutual fund industry stands at the cusp of transformational growth, backed by favourable macroeconomic trends, rising financial awareness and increasing digital penetration. With a shift in investor preference, from traditional savings instruments to market-

linked products, mutual funds are steadily becoming integral to long-term financial planning for a growing number of Indian households.

As one of India's leading and one of the most trusted asset management companies, HDFC AMC is well-positioned to capitalise on this evolving opportunity. Our strong brand equity, disciplined investment philosophy, robust distribution network and digital capabilities form a solid foundation for sustainable growth.

Looking ahead, we see significant growth potential not only in expanding mutual fund penetration beyond the top-tier cities but also within the top cities. While semi-urban and rural markets are emerging as important drivers - supported by improving digital infrastructure, fintech partnerships and regulatory initiatives focused on financial literacy - urban centres also continue to offer meaningful headroom for deeper engagement and wallet share expansion.

The regulatory environment continues to evolve in the interest of investor protection and long-term market development. We view SEBI's ongoing reforms as constructive steps that will enhance transparency, promote accountability and support the long-term stability of the mutual fund ecosystem.

We also recognise that technology will play a transformative role in reshaping investor experiences and operational efficiencies. HDFC AMC is committed to leveraging data analytics, automation and digital platforms to deliver more personalised and seamless services to our investors.

As India's savings and investment culture matures, we believe HDFC AMC is uniquely placed to lead this next phase of growth with prudence, agility and investor-centricity.

Strategic Priorities

At HDFC AMC, our strategic priorities are focused on delivering long-term value to investors while ensuring resilience and adaptability in a dynamic financial landscape. As we navigate evolving market conditions and changing investor expectations, our strategy is guided by the following key pillars:

1. **Performance excellence**

   We remain committed to strengthening our research capabilities and reinforcing risk management frameworks to deliver sustainable outcomes.

2. **Diversified Investment Solutions**

   We actively assess investor needs and market trends to identify product gaps and introduce innovative offerings. By broadening our product suite across asset classes and investment styles, we aim to cater to a wide range of investment objectives and risk appetites.

3. **Multi-Channel Distribution**

   Our distribution strategy blends the strengths of our extensive physical presence with scalable digital capabilities. This multi-channel approach enables us to enhance outreach, particularly in underserved regions and provide investors with seamless access to our solutions.

4. **Customer Centricity**

   We continue to place the investor at the core of our operations by focusing on personalised services. Our efforts are directed at building deeper relationships, being responsive and delivering experiences that exceed expectations across every touchpoint.

5. **Best-in-Class Governance and Risk Practices**

   We maintain robust compliance systems and governance standards, guided by transparency and an investor-first philosophy. Our approach ensures integrity in decision-making, allowing us to maintain best practices across our operations.

6. **Attract and Nurture Talent**

   Our people remain central to our success. We are building a future-ready organisation by inculcating a culture of innovation, collaboration and continuous learning, supported by strong talent development and leadership pipelines.

7. **ESG**

   We are deepening the integration of environmental, social, and governance (ESG) principles not only into our investments and stewardship practices but also across our internal operations.

8. **Brand Trust and Agility**

   Our strong brand equity, rooted in the legacy of HDFC, empowers us to act decisively and embrace change. We continue to build on this trust with an agile, forward-looking mindset that enables us to respond quickly to emerging trends and opportunities.

C. Internal Control Systems and Their Adequacy

The Company has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations. This provides a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

The Audit Committee and Risk Management Committee are responsible for overseeing the risk management framework, reviewing the key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. The Management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of their respective functions. The Company has appointed an independent professional firm to oversee and carry out an internal audit of its activities. The independent professional firm carries out internal control reviews and provides an independent report to the Audit Committee on the adequacy and effectiveness of risk management and internal controls of the Company. All significant audit observations and follow-up actions thereon are periodically reported to the Audit Committee and closely monitored for effective implementation.

B S R & Co. LLP, the statutory auditors of the Company have audited the standalone and consolidated financial statements included in this annual report and has issued as a part of Auditor's Report, an attestation report on our internal financial controls with reference to the financial statements (as defined in Section 143 of the Companies Act, 2013). Based on its evaluation, the Audit Committee concluded that, as of March 31, 2025, our internal financial controls were adequate and operating effectively.

D. Information Technology

In FY 24-25, we have made remarkable progress in our technological journey. Our focus on integrating advanced technologies like CRM, Artificial Intelligence (AI), Machine Learning (ML), and Generative AI (Gen AI) to drive innovation and enhance our operations has enabled us to achieve another milestone in our transformation.

The Sales CRM initiative aimed to transform partner engagement by driving expansion, fostering deeper relationships and enabling data-driven growth. A core objective was the expansion of the partner base, supported by system-generated nudges that activated dormant distributors and facilitated the onboarding of newly registered partners across the industry. The platform enabled a holistic view of partners including MFDs, NDs, Banks and Investors - by mapping key contacts, tracking past and upcoming interactions and capturing personal milestones such as birthdays and anniversaries.

Targeted nudges ensured timely and contextual outreach, which helped to foster trust and engagement. To increase partner wallet share, the CRM provided a comprehensive performance dashboard, showcasing key metrics such as distributor rank, top schemes, high-value transactions, and key ratios (e.g., SIP to Base, Online Transaction %, Net to Gross). This resulted in more targeted conversations and enhanced product placement. Moreover, a unified servicing experience allowed real-time updates of partner profiles, family group views, and led to opportunity conversions from product recommendations. Lead performance indicators tracked planned versus actual engagements, which improved team accountability. The CRM also offered enhanced funnel visibility and more efficient sales planning through system-generated engagement plans and an AI-powered co-pilot. It supported meeting preparation and communication, helping deliver consistent, impactful distributor engagement at scale.

Infrastructure Modernisation and Cybersecurity - To support HDFCAMC's growing business needs, significant investments have been made to modernise the infrastructure and strengthen our cybersecurity posture. Our comprehensive cybersecurity platforms now include advanced threat protection and enhanced network isolation, prepared to safeguard data and systems against evolving threats. The adoption of secure and elastic cloud platforms has further enabled HDFCAMC to dynamically adjust computing resources based on demand, ensuring operational efficiency and cost-effectiveness. The resilient infrastructure architecture continues to ensure uninterrupted service and system stability, even in the face of disruptions.

Over the past year, our IT capabilities have been significantly enhanced to effectively support our business objectives. From strengthening our data infrastructure to embracing advanced analytics and advanced cybersecurity measures, we have laid a solid foundation for future growth and innovation. Our new AI, ML, and Gen AI initiatives have enabled us to implement technology as a strategic enabler, driving value for our stakeholders and staying at the forefront of the asset management industry.

E. Compliance

Our Compliance function monitors compliance with regulatory requirements laid down by the Securities and Exchange Board of India (SEBI) with respect to mutual funds, portfolio management services and alternative investment funds activities and other business activities permitted under Regulation 24(b) of SEBI (Mutual Funds) Regulations. The Compliance function is a bridge between us and various regulators/industry bodies, such as SEBI, the RBI, the Association of Mutual Funds in India, the Association of Portfolio Managers in India, depositories and stock exchanges.

We have implemented various internal policies and procedures to ensure compliance with regulatory requirements in relation to the above businesses. Our Compliance Manual also lists the regulatory requirements, timelines and the functions responsible for compliance. Employee's Securities Dealing Codes regulate personal investment transactions of employees and that of their dependents. We have also established guidelines for personal dealings for AMC as well as Trustee Company. Policies such as Conflict of Interest Policy, Outsourcing Policy, Policies under Risk Management Framework, Code of Conduct for Prevention of Circulation of Unauthenticated News, Anti-Money Laundering (AML) and KYC policy, and a Social Media Policy also ensure compliance with regulations relevant to our businesses.

Each function ensures compliance with applicable regulations pertaining to its areas of operation. Accordingly, we have established procedures, policies, codes and manuals, such as the Investment and Risk Manual, Operations Manual, Client Services Manual, Valuation Policy, Voting Policy, Stewardship Code, Polling Policy, Stress Test Policy, Cyber Security Policy, Cyber Crisis Management & Resiliency Policy, Stewardship Code and Code of Conduct for Fund Managers and Dealers. These are reviewed and updated periodically. An established confirmation process is followed by each function to periodically confirm compliance with regulatory requirements.

Our compliance team stays updated on all new regulatory requirements and communicates the requirements to the relevant functions with meaningful inputs for implementation. The team also reviews the implementation status by closely coordinating with the respective functions.

We are committed to transparency and have also appointed independent internal auditors to review the activities of each department and function, including the compliance function. They review relevant reports before submission to the Board and the regulators concerned. Periodical SEBI inspections and statutory audits are also conducted to review and assess the compliance status. The Chief Compliance Officer periodically updates our Board and Audit Committee on various compliance matters.

The compliance team also drafts and issues product offer documents, issues notices/addenda related to product documents, reviews marketing materials before dissemination, and ensures timely filing of various reports with the Board, regulators and agencies concerned. It is also responsible for the redressal of customer grievances. As part of its periodic training initiatives, the compliance team engages with the employee(s) to educate, sensitise and create awareness about their obligations under the Regulations and our Company's codes/policies.

F. Operations

Our Operations are bifurcated into Mutual Fund (MF) Operations and Portfolio Management Services / Alternative Investment (PMS / AIF) Operations.

The MF team is responsible for the Operations of the Mutual Fund which, inter alia, include investment administration, cash management, treasury support and settlement, fund accounting, asset valuation and unit pricing, managing custody & banking relationships, coordination with RTA/other Service Providers, audits and MIS.

The PMS/AIF Operations team is responsible for maintaining the accounts of the clients under the SEBI PMS, SEBI AIF regulations, as applicable. Its functions include post trade investment support, cash management, treasury and settlement functions, recording of transactions in the books of accounts of the respective clients, valuation of securities in clients' portfolios, providing various reports to the management and liaising with bankers and custodians. In respect of AIF Operations, its function includes oversight of third-party vendor in charge of the Fund Administration, Custody, Banking etc.

The functions of the MF & PMS/AIF are segregated and they have their own discrete teams and systems.

All operational activities are subject to independent audits. Internal auditors perform transactional and risk-based audit, valuation and NAV reviews, apart from undertaking process reviews on a regular basis. Independent auditors carry out the statutory audit as required under the applicable regulations. All applications used in operations are regularly subjected to system reviews/ audits. The Audit Committee reviews all the Auditors' Reports with respect to the entire operations.

Mature, robust and scalable systems and processes form the backbone of our operations. There is a keen focus on accuracy, internal controls, minimising operational risks and increasing efficiency. All systems are regularly upgraded and all processes are re-engineered periodically to ensure a high standard of regulatory compliance and governance. A comprehensive Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) is in place for our operations and it is reviewed and updated at a regular frequency. A review is conducted to check the adherence of our service providers to acceptable standards of governance and compliance. Their IT/ BCP/ DRP preparedness is also evaluated regularly.

G. Risk Management

Our Company has developed a comprehensive Risk Management Framework (RMF) to effectively manage key risks. This framework aligns with our business needs and relevant legal and regulatory requirements. The RMF provides guidance with respect to management of all risks relevant for the AMC and the schemes of HDFC Mutual Fund. To ensure effective and integrated Risk Management, the AMC has defined three lines of defence. The First Line of Defence comprises the CXOs; Second Line of Defence comprises oversight functions like Risk Management and Compliance; and the Third Line of Defence is the Internal Auditor. The Board approved Risk Management Framework details our approach to risk management and the roles and responsibilities of all stakeholders.

The Board level Audit Committee and Risk Management Committee are responsible for overseeing the risk management framework, reviewing the key risks and mitigation strategies and ensuring the effectiveness of risk management policies and procedures. The Management also ensures effective implementation of the risk management framework within all areas of respective functions.

Risk Management Process is a logical and systematic process of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with activities, functions or process, in a way that enables an organisation to minimise losses and maximise opportunities. The objective of risk management is not to eliminate risk, but to understand it so that we can take measures to prevent its occurrence and minimise the downside and take advantage of the upside. Risk assessment and mitigation strategies are an integral part of the risk framework within each function. The key risks covered are Investment Risk, Credit Risk, Liquidity Risk, Operational Risk, Compliance Risk, Climate Risk, Technology Risk, Information Security and Cyber Risk, Outsourcing Risk, Reputation and Conduct Risk, Sales and Distribution Risk, Financial Reporting Risk, Tax Risk, Legal Risk and Talent Risk.

Risk Management is integrated with major business processes such as strategic planning, operational management and investment decisions to ensure consistent consideration of risks in all decision-making. Our Company continuously adopts international best practices that address regulatory changes, organisational structure, emerging technologies, dynamic market conditions and business growth.

AMC has implemented Risk Management Tools such as Risk Register, Risk and Control self-assessment (RSCA), reporting of Early Warning Signals and Incident Reporting, whereby risk owners are involved in the ongoing assessment and improvement of risk management and controls. There is also an ESG Task Committee to oversee company-wide ESG risks. Additionally, internal audit carries out our internal control reviews and provides an independent report to the Audit Committee on the adequacy and effectiveness of the risk management framework and internal controls of the organisation. Our statutory auditor carries out a review of our internal controls over financial reporting to the extent of the scope laid out in their audit plans. All significant audit observations and follow-up actions thereon are periodically reported to the Audit Committee and closely monitored for effective implementation.

Given the rapid technological and digital advancement in the securities market, cyber risks are inevitable. Hence, a strong Information Security and Cyber Security framework is essential. Our Company's Information and Cyber Security framework is one wherein the cyber risk and its mitigation are monitored by the Information Technology Security Committee and Risk Management Committee. Key areas covered under the cyber risk management include strong adherence to the Board-approved Information and Cyber Security Policies, compliance with SEBI guidelines and ISO 27001 standards. It helps to align our processes with best practices observed in the industry. Our Company maintains a robust cyber security architecture and has in place a cyber resilience framework to protect the integrity of data and guard against breaches of privacy.

Overall, risk management is a collective responsibility, from the Board to individual employees. Risks are primarily managed by the business function transacting the business. All employees are actively engaged in risk management within their own areas of responsibility and are expected to manage those risks.

H. Insurance

Our insurance policies cover the entire gamut of our operations and endeavours to protect the Company from unexpected exigencies in the future. We have specialised policy for insuring the schemes of HDFC Mutual Fund, HDFC Asset Management Company Limited, including PMS, AIF and advisory/ management services to permitted categories of FPIs under Regulation 24(b) of SEBI (Mutual Funds) Regulations, which, in addition to our Company, also includes our employees, directors and the trustee company of HDFC Mutual Fund. Our insurance policy covers any liability arising out of operations of Registrar and Transfer Agent and Custodians associated with our Mutual Fund business. Furthermore, we have specialised cyber security insurance coverage as well.

I. Intellectual Property

Our Company uses, among others, the name, registered trademark and brand name of 'HDFC' and associated logos in the ordinary course of business including 'HDFC Asset Management Company', 'HDFC Mutual Fund', and 'HDFC AMC AIF-II'. The trademark 'HDFC' is the registered property of HDFC Bank; and it has granted a non-exclusive license to use its trademark and brand name 'HDFC' to our Company, subject to applicable terms and conditions.

J. Digital Platforms

Our mission of creating wealth for every Indian will be possible at scale by increasing accessibility and security of our digital channels. Every internet-connected phone in the country is an opportunity for us to serve the wealth creation needs of an investor. To this end, we prioritised four pillars to align and amplify our digital efforts:

Seamless digital journeys

Deep diving into all our critical user journeys, we optimised each of them to make them simplified and frictionless. We revamped SIP, purchase and payment journeys across mobile and web, and integrated e-Cart functionality and UPI AutoPay. The WhatsApp 'Tap2Pay' platform went live with SIP and Purchase transactions, offering users an app-like experience on WhatsApp - bringing mutual funds to where the user already is. We also launched mobile based login, which removes the need to remember a username and enables easy user registration.

We upgraded our website with a newly designed homepage, dark mode and faster load speeds. Content depth was expanded with MF Insights, a Book Review and Poetry section, and SIP Saheli.

Scaling digital distribution

To empower our MFD partners, we enabled SIP Top-up with first instalment and implemented 2-Factor Authentication at login for enhanced security. The partner app has been refreshed with a new UI / UX and a new pre-login section. Our Connekt tool (co-marketing platform for partners) was further enhanced, enabling single-click campaigns, lead tracking and personalized outreach. Our prime focus for Partners includes streamlining transaction flows to help accelerate time-to-conversion and boosting partner productivity on WhatsApp through Account statements, new SIP registrations, Lumpsum transactions, SIP renewals and a complete overhaul of the Partner One click asset for enhancing their mobility and reach.

Security and regulatory prudence

In line with regulatory and security goals, we launched digital platform updates on unclaimed dividends and redemptions, weekly/monthly debt disclosures, modified TER formats, visual accessibility enhancements and new statutory sections like Public Caution Notices, MOA and AOA. We implemented new security tools for advanced observability, Runtime application self-protection (RASP) solution, Risk-based authentication, and secured development practices, in line with the CSCRF requirements. Our 'far DR-BCP' site setup has been tested and is now live and operational.

Step-changing digital experience with AI

FY25 was a year of many new AI experiments and launches. We went live with our self-hosted AI open-source model, which was then used to launch an internal knowledge management system (KMS) across multiple functions such as client services, compliance etc. This KMS, through its chat-based frontend, now serves internal users across the country with quick answers to queries based on a guard-railed content database. We are also using Large Language Models (LLMs) to automate processes, automatic dashboarding, generating factsheets etc. Our AI content engine is now creating creatives and even videos for social posts and moment marketing. We see AI becoming a bigger enabler across our efforts on digital enablement, process automation and content creation in the coming year.

We see AI becoming a bigger enabler across our efforts on digital enablement, process automation and content creation in the coming year.

K. Human Resource

Our Company has always been recognised as an employer of choice, and we are proud to have once again been certified, as a 'Great Place to Work' by Great Place to Work Institute®. This recognition is a testament to our organisational strength and unwavering commitment to our purpose that is anchored in our Vision and Mission. Our culture is rooted in strong values that shape our people practices, guide our behaviour and conduct, and foster a work environment grounded in integrity, respect and excellence.

The company remains fully compliant with all Human Resources related regulatory requirements and statutory obligations, upholding them in both letter and spirit.

Our employees serve as brand ambassadors, playing a pivotal role in engaging with our investors, partners and stakeholders. At HDFC AMC, we continuously invest in our employees, placing a strong emphasis on capability building and empowering them to reinvent themselves, stay agile and grow professionally. With this, our endeavour is to serve our investors with the highest standards of fiduciary responsibilities and ethical conduct.

Our employee policies are thoughtfully crafted to inspire, motivate and engage our workforce in pursuing our organisational vision – 'To be the most respected asset manager in the world'- and our mission 'To be the wealth creator for every Indian'.

L. Investor Outreach

Read more on page 24 of this report.

M. Marketing Initiatives

Read more on page 26 of this report.

N. Customer service

Commitment to Outstanding Service

As a customer-centric organisation, we remain committed to elevating service excellence and positioning ourselves as the financial planning brand of choice. Our holistic approach enables us to anticipate and adapt to the evolving needs of our increasingly informed and discerning customer base.

Investing in our People

Recognising that our front-line service teams are the face of our business, we invest significantly in education and training. Our branch teams, spread across 280 locations, benefit from the continuous support of experienced professionals at our corporate office. Regional Service Managers are instrumental in this process, regularly visiting branches to ensure alignment with our strategic objectives, address mutual fund distributor requirements and provide targeted assistance.

At the corporate level, the Client Services team proactively integrates feedback from branch interactions into routine training programmes. Our team is also empowered with AI tools and CRM systems to enhance customer delight. This approach ensures continuous improvement of our service delivery, making it impactful at every customer touchpoint.

Operational Excellence and Strategic Partnerships

Our well-structured service delivery framework is underpinned by strong operational partnerships. A cornerstone of this framework is our collaboration with Computer Age Management Services (CAMS), the Registrar and Transfer Agent (RTA) that supports and enhances our operational backbone. This close partnership with CAMS enables the smooth execution of processes and reinforces support for our distribution partners.

A Comprehensive Service Ecosystem

We pride ourselves on offering a multi-channel customer service network. In addition to our physical branches and 276 CAMS service centres, we operate dedicated call centres, a responsive corporate email system, and robust digital platforms (website and mobile app). Customers can conduct transactions through an array of avenues - including distributor mobile apps, stock exchanges, channel partners, MF Utility, MF Central and the digital platforms maintained by mutual fund distributors and advisors. This diversified ecosystem has driven a substantial increase in digital transactions, which now form the majority of our business operations.

Measuring and Enhancing Service Quality

Our performance metrics are designed to ensure continuous improvement in customer service. We closely monitor parameters such as turnaround time, repeat complaints, and escalations. Regular root cause analyses are conducted to identify improvement areas and to implement corrective measures promptly, thereby consistently enhancing the customer experience.

Proactive Engagement and Feedback

Open communication is at the heart of our customer engagement strategy. We conduct detailed satisfaction surveys for both financial and non-financial transactions to capture feedback on various processes and interactions. This data is diligently reviewed by management and translates into actionable improvements across the organisation.

Consequently, our service relationship managers maintain regular communication with distributors, disseminating important updates on regulatory and process changes. Their feedback further refines our service delivery, ensuring that our system remains robust and responsive to market demands.

Digital Initiatives and Continuous Improvement

Our dedicated digital team has implemented multiple initiatives to ensure that our website and mobile apps deliver best-in-class service. By leveraging customer insights, we continuously refine our processes to pre-empt issues and enhance overall satisfaction. These improvements have contributed to a notable decline in customer complaints, reiterating our commitment to excellence.

The synergy between our well-trained staff, strategic operational partnerships, and robust digital infrastructure strengthens our capability to deliver exceptional customer service. Our collective efforts have reinforced our position as the preferred brand for financial planning and set the stage for ensuring customer delight and sustainable growth.

Year	Complaints as a % of transactions
FY 19-20	0.009
FY 20-21	0.006
FY 21-22	0.006
FY 22-23	0.003
FY 23-24	0.002
FY 24-25	0.001

O. Training

Soft Skills for a Stronger Ecosystem

The Company believes that technical knowledge must be complemented by strong interpersonal skills to drive meaningful impact. Our proprietary learning platform, LEAP, reflects our commitment to holistic capability building for both distributors and investors. During FY 24-25, we conducted 262 soft skills workshops for distributors, engaging over 13,500 participants, along with a series of employee development programmes focused on communication and other essential workplace skills. These programmes went beyond conventional learning formats, leveraging experiential techniques such as simulations and activity-based methods to drive deeper engagement and stronger knowledge retention. By equipping participants with these essential soft skills, we continue to nurture a collaborative, resilient and high-performing ecosystem.

Strengthening Technical skills

To complement soft skills development, we also placed strong emphasis on technical and behavioural finance training throughout FY 24-25. We conducted 224 technical training sessions, reaching approximately 13,000 participants, aimed at strengthening advisory capabilities and deepening client engagement across India. These programmes included focused modules on Behavioural Finance, Asset Allocation, Equity and Fixed Income, Financial Planning and Macro Economics, offering practical tools and market insights tailored to real-world advisory needs.

We also expanded our outreach through specialised initiatives such as Next Gen (for new advisors), Power Couple (for distributor families), Fem Power (for women investors), and Mission Mars (targeted at financial literacy among youth). Our NISM certification support led to regulatory readiness and knowledge refresh for over 3,000 distributors, through 76 workshops. These efforts reinforce our commitment to continuous learning and capacity-building across all stakeholders in the mutual fund value chain.

P. Social Initiatives

Read more on page 32 of this report.

Q. Risks and Threats

An Asset Management Company and its investment products are exposed to a wide spectrum of risks that could impact its business performance, financial stability, and stakeholder trust. These risks may arise from internal processes or external market dynamics. HDFC Asset Management Company has a robust risk management framework to proactively identify, monitor and mitigate such risks, ensuring long-term sustainability and resilience.

The investment products carry inherent risk of sub-par performance which may drive the investors to redeem or shift their investments. Business growth is contingent not only on performance but also on external factors like overall economy, the growth rate of the country, household savings rates and consumer attitude towards financial savings. Any adverse market rate fluctuations and/ or adverse economic conditions could affect the business in many ways, such as reducing the value of our AUM, and subsequently leading to a decline in revenue.

To mitigate investment related risks, the Company has established a comprehensive Investment Manual that outlines its Investment Philosophy, Investment and Research Processes, Credit Limits, and Credit Monitoring Procedures. The Risk Management team actively monitors the portfolio to assess various risks like liquidity, concentration, credit quality, stress indicators, enabling the generation of early warning signals. The Investment Committee regularly reviews scheme performance and oversees all scheme-related risks. Any breaches or early warning indicators are escalated to both the Investment Committee and the Risk Management Committee of Board in a timely manner.

The Company's reputation is closely aligned with the strength and recognition of the HDFC brand. While the brand enjoys a strong market presence, it remains susceptible to adverse perceptions from the market and customers - particularly in an industry where integrity, trust, and investor confidence are critical. Additionally, the regulatory landscape in which we operate is dynamic and subject to frequent changes. Any non-compliance or breach of regulatory requirements could adversely affect the Company's reputation, potentially impacting both revenue and margins.

To mitigate compliance and reputational risks, the Company follows a structured approach to assess the implications of regulatory changes, implement necessary controls, and report progress to the Board. In instances where there is significant ambiguity in the interpretation of regulations, the matter is discussed with the relevant regulatory authorities. Internal auditors are appointed to independently review operational activities and present their findings to the Board. They also conduct periodic audits of statutory compliance reports, as mandated. While the Company is committed to full compliance with all applicable laws and regulations, undetected errors in statutory records or business operations may pose a risk of financial or reputational loss.

Another significant risk to the business is potential disruption to our technology infrastructure, whether due to rapid technological advancements or malicious cyberattacks. Geopolitical tension and uncertainty may also lead to political instability, sanctions, wars or economic disruptions. The Company has implemented robust Disaster Recovery (DR) and Business Continuity Planning (BCP) frameworks to tackle this risk. With most transactions now conducted digitally, any interruption in system availability or performance could materially affect business operations. The Company continues to make substantial investments in strengthening its technology infrastructure, ensuring resilience and continuity in the face of disruptions. It has also established a robust cybersecurity framework and a comprehensive cyber resilience strategy to safeguard data integrity and protect against privacy breaches.

HDFC AMC has a robust Risk Management Framework which maintains operational resilience, regulatory compliance, and investor trust through proactive risk governance and continuous improvement.

R. Information and Cyber Security

Cyber Security Governance

In an era of rapid technological progress and digital evolution, the Company acknowledges the prevalence of increasing cyber and information security risks. The Company has a strong Cyber Risk Management framework wherein cyber risk and its mitigation are monitored by the Information Technology and Security Committee and Risk Management Committee of the Company. Furthermore, the Company has a cyber-resilience framework in place to safeguard the integrity of data and guard against cyber breaches. At the core of this strategy lies Board- approved policies such as Information Security, Cyber Security & Cyber Resilience policy, Cyber Crisis Management plan, Information Security and Cyber Risk Management Framework and Business Continuity policy. Key areas covered under the cyber risk management include strong adherence to the Board approved Information and Cyber Security policies, compliance with SEBI guidelines and ISO 27001:2022 standards to ensure alignment with industry best practices.

Security & Data protection

We uphold the highest standards of confidentiality, availability, integrity of the investor data entrusted to us. To fortify our defences against cyber threats and preserve data integrity, our Company employs a 'Defence in Depth' strategy. Our measures include robust encryption protocols, stringent access controls, best-in-class perimeter security, and 24x7 'State-of-the-art' security surveillance.

Information and Cyber Security Awareness

The company has intensified its initiatives to promote security awareness among employees, urging vigilance against cyber attacks and cultivating a robust cyber security culture within the organisation. We urge our stakeholders to be vigilant and protect themselves against cyber frauds and socially engineered frauds. We educate customers and other stakeholders on the risks of cyber breaches and attacks. Furthermore, we prioritise continuous training of our cyber security and Incident Response teams through regular cyber table-top drills.

Security by Design

The Company integrates cyber security controls and practices seamlessly into its business processes, adhering to the principle of 'Security by Design'. Our commitment to enhanced cyber security practices, coupled with effective governance, has led to the development of mature cyber security frameworks. Our Technology and Digital systems undergo frequent security reviews and audits conducted by independent agencies. Our systems are subjected to rigorous scrutiny and validation in system audits. Proactive measures are consistently implemented to fortify these systems against external threats.

S. Business Continuity Programme

HDFC AMC has a strong Business Continuity Programme (BCP) that enables operational resilience and continuity in delivering quality services to investors. With our ISO 22301:2019 certified BCP, we prioritise minimising service disruptions and safeguarding our employees and business during any unforeseen adverse events or circumstances. The Programme is designed in accordance with the guidelines issued by regulatory bodies. It also undergoes regular internal, external and regulatory reviews to ensure its effectiveness.

The Business Continuity team focuses on strengthening the company's preparedness for continuity. Oversight over programme is provided by the Information Technology and Security Committee. Business Continuity Policy and Plan is periodically tested to ensure that it can meet operational contingencies. In addition, employees periodically undergo mandatory business continuity awareness training and sensitisation exercises on a periodic basis. The Business Continuity Procedure outlines clear roles and responsibilities for teams involved in Crisis Management, Business Recovery, Emergency Response and IT Disaster Recovery, ensuring a coordinated approach.

Key roles in the Business Continuity Programme include:

a. Steering Committee: Responsible for centralized oversight and governance of the Business Continuity Programme, ensuring ongoing preparedness.

b. Crisis Management Teams: Tasked with managing recovery operations effectively during disruptive events, enabling timely response and coordination across functions.

c. Disaster Recovery (DR) Site: A dedicated infrastructure designed to support the recovery of applications, including those used for mutual fund operations and customer-facing services.

Directors' Report

Dear Members,

Your Directors take great pleasure in presenting the Twenty-Sixth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2025.

Financial Performance

The financial performance of your Company for the financial year ended March 31, 2025 is summarized as below:

(₹ in Crore)

Financial Results	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before Tax	**3,286.44**	2,478.19
Less: Provision for Tax (Net of Deferred Tax)	**825.39**	532.31
Profit after Tax	**2,461.05**	**1,945.88**
Add / (Less): Other Comprehensive Income (Net of Tax)	**(2.78)**	(1.59)
Total Comprehensive Income (A)	**2,458.27**	**1,944.29**
Balance of Retained earnings carried forward from previous year	**5,979.94**	**5,060.30**
Less: Equity Dividend Paid for earlier year	**-**	1,024.65
Less: Interim Equity Dividend Paid for earlier year	**1,495.05**	-
Less: Debt Instruments through Other Comprehensive Income	**0.07**	-
Less: Other Adjustments	**(0.11)**	-
Total (B)	**4,484.93**	**4,035.65**
Balance of Retained Earnings Carried to Balance Sheet (A+B)	**6,943.20**	**5,979.94**

For the year ended March 31, 2025, your Company posted a net profit of ₹2,461.05 Crore as against ₹1,945.88 Crore in the previous year. Appropriations from the net profit have been affected as per the summary given above.

For a detailed analysis of the financial performance of your Company for the year under review, refer to report on Management Discussion and Analysis.

Dividend

Your Directors recommend payment of final dividend of ₹90/- per equity share (1800%) of face value of ₹ 5/- each for the financial year ended March 31, 2025 as against Interim Dividend of ₹70/- per equity share (1400%) of face value of ₹5/- each for the previous year.

The dividend pay-out ratio for the said dividend for the year ended March 31, 2025 is 78.18%.

The Final dividend recommended is in accordance with the parameters and criteria as set out in the Dividend Distribution Policy which has been approved by the Board of Directors of the Company. The Dividend Distribution Policy of the Company is placed on the Company's website at https://www.hdfcfund.com/about-us/corporate-governance/code-policy in terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management Discussion and Analysis Report, Report of the Directors on Corporate Governance and Business Responsibility and Sustainability Report

Management Discussion and Analysis Report and the Report of the Directors on Corporate Governance form part of this report.

In compliance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report ('BRSR') along with the report on reasonable assurance of the BRSR Core, consisting a set of Key Performance Indicators (KPIs) / metrics under nine Environmental, Social & Governance attributes for the financial year ended March 31, 2025, provided by SGS India Private Limited, forms a part of this Annual Report.

Transfer to Reserves

There is no amount proposed to be transferred to the reserves. For complete details on movement in Reserves and Surplus during the financial year ended March 31, 2025, please refer to the Statement of Changes in Equity included in the financial statements.

Capital Structure

During the year, your Company issued and allotted 3,09,086 equity shares of ₹ 5/- each of the Company to eligible employees on exercise of stock options granted under Employee Stock Option Scheme of the Company.

Consequently, the issued, subscribed and paid-up equity share capital increased from ₹1,06,74,20,000/- represented by 21,34,84,000 equity shares of ₹5/- each as on April 1, 2024 to ₹1,06,89,65,430/- represented by 21,37,93,086 equity shares of ₹5/- each as on March 31, 2025.

During the year under review, the Company has not issued any:

a) shares with differential rights as to dividend, voting or otherwise.

b) sweat equity shares.

Review of Operations

Assets under Management (AUM) of HDFC Mutual Fund ("HDFC MF") at the close of FY 2024-25 was ₹ 7.54 Lakh Crore as against an AUM of ₹ 6.07 Lakh Crore at the close of FY 2023-24, an increase of 24%. Total Annual Average AUM for FY 2024-25 was ₹ 7.48 Lakh Crore versus ₹ 5.44 Lakh Crore for FY 2023-24. HDFC MF is one of India's largest mutual funds in terms of total AUM with a market share of 11.5% based on closing AUM. It is also one of the largest mutual funds in terms of actively managed equity-oriented funds, with a market share of 12.9% based on closing AUM. The actively managed equity-oriented AUM at the close of FY 2024-25 was ₹ 4.70 Lakh Crore as against ₹ 3.75 Lakh Crore at the close of FY 2023-24, an increase of 25%. The actively managed equity-oriented annual average AUM constituted 61% of the total annual average AUM and increased by 49% to ₹ 4.54 Lakh Crore.

Your Company managed a total of 233 Lakh live accounts as on March 31, 2025, predominantly those of individual (retail) unitholders. The Individual monthly average AUM as a percent of total monthly average AUM for March 2025 was steady at 70%. Your Company has 280 offices as on March 31, 2025. Your Company has over 95,000 distribution partners.

Your Company is one of the most preferred choices of individual investors, with a market share of 13.2% of the individual monthly average AUM for March 2025. Of the 5.42 Crore unique investors in mutual funds in India (as identified by PAN//PEKRN), we enjoy trust of 1.32 Crore investors, a market penetration of 24%. Your Company's offering of systematic transactions further enhances its appeal to individual investors looking to invest periodically in a disciplined and risk-mitigating manner. Your Company processed ₹ 43,035 Crore through systematic transactions from April 2024 to March 2025. These monthly flows provide a strong and stable "order book", provide predictable flows, with 90% of systematic investment plans (SIPs) subscribed for a tenure of more than 5 years.

The Company extends Portfolio Management, Segregated Account Services, along with Alternative Investment Funds to High Net-worth individuals, family offices, domestic corporates, trusts, provident funds and domestic cum global institutions, with aggregate assets of ₹ 5,133 Crore as on March 31, 2025.

Schemes Launched

The following new schemes were launched during the financial year –

1. HDFC Manufacturing Fund
2. HDFC NIFTY100 Low Volatility 30 Index Fund
3. HDFC Nifty500 Multicap 50:25:25 Index Fund
4. HDFC Nifty LargeMidcap 250 Index Fund
5. HDFC Nifty India Digital Index Fund
6. HDFC Nifty100 Quality 30 Index Fund
7. HDFC Nifty Top 20 Equal Weight Index Fund

Directors and Key Managerial Personnel

Non-Executive Director

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Deepak S. Parekh (DIN: 00009078), Non-Executive Non-Independent Director and Chairman, is liable to retire by rotation at the forthcoming Annual General Meeting (AGM) of the Company scheduled to be held on June 25, 2025 and being eligible has offered himself for re-appointment.

Mr. Deepak S. Parekh, Non-Executive Non-Independent Director and Chairman of the Company having attained the prescribed age limit of 75 years, Special Resolution is proposed in accordance with Regulation 17(1A) ofSEBI Listing Regulations for continuation of his directorship on the Board of Directors of the Company. The members

at their 20th & also at the 23rd AGM of the Company had approved the continuation of directorship of Mr. Parekh beyond 75 years of age by passing a Special Resolution.

Necessary proposal for his re-appointment has been placed for your approval at the forthcoming AGM. The brief profile has been detailed in the Notice convening the AGM of your Company. Your Directors recommend his re-appointment as a Non-Executive Non-Independent Director and Chairman of your Company.

Managing Director & Chief Executive Officer

During the year, the members, at the 25th AGM of the Company had re-appointed Mr. Navneet Munot (DIN: 05247228) as the Managing Director & Chief Executive Officer (CEO) of the Company for a period of five (5) years effective from July 1, 2024 upto June 30, 2029.

Independent Directors

Mr. Dhruv Kaji, Mr. Jairaj Purandare, Mr. Sanjay Bhandarkar, Mr. Parag Shah and Ms. Roshni Nadar Malhotra, Independent Directors, have submitted declarations stating that they meet the criteria of independence as per the provisions of the Act and SEBI Listing Regulations.

All the Independent Directors have also confirmed that in terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database as prescribed under the Act. Further, in terms of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, one Independent Director has passed the Online Proficiency Self-Assessment test conducted by Indian Institute of Corporate Affairs (IICA) and the other four Independent Directors were not required to appear for the said test as required by IICA as they fulfil the criteria stipulated under Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act, the Rules made thereunder and SEBI Listing Regulations and are independent of the management.

All the directors of the Company have confirmed that they are not disqualified for being appointed as directors pursuant to Section 164 of the Act.

Key Managerial Personnel

In accordance with the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, Mr. Navneet Munot, Managing Director & Chief Executive Officer, Mr. Naozad Sirwalla, Chief Financial Officer and Ms. Sonali Chandak, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2025.

Further, during the year, Ms. Sonali Chandak was appointed as Company Secretary & Head- Legal and Compliance officer of the Company under SEBI Listing Regulations w.e.f., July 16, 2024 in place of Ms. Sylvia Furtado who resigned from the services of the Company w.e.f., close of business hours of July 15, 2024.

Number of Meetings of the Board and Committees

During the FY 2024-25, 8 (eight) meetings of the Board of Directors of your Company were held and the details of Board and Committee meetings held are provided in the Report of the Directors on Corporate Governance, which forms part of this report.

Review of Subsidiary Company

Your Company has a Wholly Owned Subsidiary Company viz. HDFC AMC International (IFSC) Limited ('HDFC IFSC') which was incorporated on May 27, 2022. HDFC IFSC is registered with International Financial Services Centres Authority ('IFSCA') as a Registered Fund Management Entity – Retail category and carries out fund management activities from Gujarat International Finance Tec-City (GIFT) City.

HDFC IFSC offers a comprehensive suite of Alternative Investment Funds to a diverse clientele, including High-Net-worth Individuals (HNIs), private banks, insurance companies, financial institutions, foreign investors, multilateral organizations, sovereign funds, pension funds and global institutional investors. HDFC IFSC works with a diverse set of distribution partners and currently has over 250 empanelled distributors which include mutual fund distributors, national distributors, banks and foreign distributors.

The following Category III open-ended Alternative Investment Funds (AIFs) under the IFSCA (Fund Management) Regulations, 2025, were launched during the financial year by HDFC IFSC:

1. HDFC India Flexi Cap Fund
2. HDFC India Balanced Advantage Fund
3. HDFC India Mid-Cap Opportunities Fund

As per the investment objectives of the above AIFs, the net assets of the said Funds are entirely invested into the respective open-ended schemes of HDFC Mutual Fund in India. Further, HDFC IFSC is in process of completing the operational requirements for the launch of 2 funds viz. HDFC

India Small Cap Fund and HDFC India Nifty 50 Fund. Further, in order to provide more product options to non-resident investors, HDFC IFSC is in the process of undertaking the necessary filings / documentation for the launch of another Category III open ended AIFs - HDFC India Asset Allocator Fund. In addition to products for non-resident investors which invest in India, HDFC IFSC also intends to evaluate and finalise possible strategies for products whose primary focus would be on one or more global / non-Indian strategies. Such global strategies can also be offered to resident Indian investors under the Liberalised Remittance Scheme (LRS) / Overseas Portfolio Investment (OPI) route.

HDFC IFSC acts as a Fund Management Entity for the above-mentioned funds and has Assets under Management of US$146.89 Million as on March 31, 2025. HDFC IFSC managed a total of 50 active accounts as on March 31, 2025.

Further, the Board at its meeting held on April 17, 2025, inter-alia, approved the audited financial statements including the consolidated financial statements of the Company for the financial year ended March 31, 2025, subject to approval of members of the Company.

In accordance with the provisions of Section 136 of the Act, the annual report of the Company, the audited financial statements and the related information of HDFC IFSC are placed on the website of the Company. Shareholders may download the documents referred to above from the Company's website or may write to the Company for the same. Further, the said documents shall also be available for inspection by the members at the registered office of the Company.

Pursuant to Section 129(3) of the Act, a statement containing salient features of the financial statements of HDFC IFSC in the prescribed Form AOC-1 forms part of the financial statements.

Except for the above subsidiary, during the financial year 2024-25 and as of the date of this report, your Company did not have any other subsidiary or an associate company or a joint venture company.

Annual Evaluation

Details of the annual performance evaluation of the Board, its committees and of individual directors are provided in the Report of the Directors on Corporate Governance, which forms part of this report.

Nomination & Remuneration Policy

In terms of the requirements under the Act and SEBI Listing Regulations, your Company has in place a Nomination & Remuneration Policy, inter-alia, detailing the director's appointment, remuneration, criteria for determining qualifications, attributes, independence of a director, malus and clawback provisions applicable in the exceptional circumstances such as fraud that require a financial restatement, reputational harm to the Company or exposing the Company to substantial risk and other matters. The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination & Remuneration Policy of your Company. The said Nomination & Remuneration Policy is placed on the Company's website at https://www.hdfcfund.com/about-us/corporate-governance/code-policy.

Issue of Employee Stock Options

In line with the practice of incentivizing the employees through issue of stock options, your Company, pursuant to approval granted by the Shareholders of the Company at the AGM held on July 23, 2020, has formulated Employees Stock Option Scheme – 2020 ('ESOS – 2020'). Further, the members at 25th AGM of the Company had accorded their approval to extend the benefit and coverage of ESOS- 2020 of the Company to the eligible employees of HDFC IFSC.

During the year, the Nomination & Remuneration Committee (NRC) at its meetings held on April 10, 2024, June 7, 2024 and January 14, 2025 has granted 18,000, 72,000 and 7,500 Stock Options representing 97,500 Equity Shares of ₹5/- each to the eligible employees of your Company and HDFC IFSC, as determined by the NRC, under ESOS – 2020 at grant price of ₹ 3,703.90/-, ₹ 3,760.50/- and ₹ 3,834.55/- per option, respectively. No employee was issued Stock Options, during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

There has been no material variation in the terms of the Stock Options granted under ESOS – 2020 and Company in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SBEB Regulations').

Disclosures as required under the SBEB Regulations have been placed on the website of the Company at www.hdfcfund.com.

Further, the Certificate required under Regulation 13 of the SBEB Regulations from the Secretarial Auditors of the Company that ESOS – 2020 have been implemented in accordance with the SBEB Regulations will be available at the forthcoming AGM for inspection.

ESOP & PSU Scheme – 2025

On the recommendation of NRC, the Board at its meeting held on April 17, 2025, had approved the adoption and implementation of the Employees Stock Options and

Performance-linked Stock Units Scheme – 2025 ('ESOP & PSU Scheme – 2025' or 'Scheme') in terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, subject to the approval of members.

A maximum of 25,00,000 (Twenty Five Lakh) ESOPs and PSUs may be offered and granted under the aforesaid Scheme, in aggregate, out of which aggregate PSUs shall not exceed 50% of the said total pool of 25,00,000, which on exercise, would entitle not more than 25,00,000 (Twenty Five Lakh) equity shares of face value of ₹5/- each of the Company. Further, the Company has sought an approval of Members for adoption and implementation of the ESOP & PSU Scheme – 2025 vide its postal ballot notice dated April 17, 2025, and the e-voting process for this approval is currently ongoing.

Also, on the recommendation of the NRC, the Board at its meeting held on April 17, 2025, had decided that the Company/ NRC shall not grant/ allot the 8,73,719 unallocated stock options that still exist under ESOS – 2020 of the Company. However, the ESOS 2020 will remain operational till such time the stock options granted earlier under the ESOS 2020 are either exercised, lapsed or forfeited as the case may be.

Auditors and Auditor's Report

Statutory Auditors

In terms of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, Chartered Accountants (ICAI FRN: 101248W/W-100022) were re-appointed as the Statutory Auditors of your Company for a period of 5 continuous years i.e. from the conclusion of 23rd AGM till the conclusion of 28th AGM of the Company.

The Auditor's Report on the financial statements of the Company for the financial year ended March 31, 2025 forms part of the Annual Report.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Makarand M. Joshi & Co., ('MMJC') Company Secretaries to conduct the Secretarial Audit of your Company for the FY 2024-25. The Secretarial Audit Report is annexed herewith as **Annexure I** to this report.

Further, in terms of the SEBI (Listing Obligations & Disclosure Requirements) (Third Amendment) Regulation, 2024, the Board has recommended the appointment of MMJC as the Secretarial Auditors of the Company for a term of five consecutive financial years commencing from April 1, 2025 till March 31, 2030. The appointment will be subject to the members' approval at the forthcoming AGM.

There were no qualifications, reservations or adverse comments or disclaimer made by the aforesaid Auditors in their audit reports.

The said Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act.

Internal Auditors

M/s. M P Chitale & Co were appointed as an Internal Auditors of your Company for the financial year 2024-25.

Enterprise Risk Management Policy

The Policy on Enterprise Risk Management of your Company was reviewed by the Risk Management Committee and approved by the Board. This policy provides for the Risk Management Framework (RMF) to identify, assess, monitor and mitigate various business risks. This framework incorporates the checks, process and procedures to identify potential risks in the investment and operational areas of the business and minimize their impact through necessary control on your Company. The framework is designed to identify risks, assess their likelihood and impact, ensure the review of mitigation measures and requires reporting on a regular basis. The Risk Management Committee and Audit Committee of the Board of Directors at their meetings periodically reviews the functioning of the RMF.

The Company has a strong Cyber Risk Management framework wherein cyber risk and mitigation controls are monitored by Information Technology and Security Committee and Risk Management Committee of the Company. Key areas covered under the Cyber Risk Management are strong adherence to the Board approved Information and Cyber Security Policies, SEBI guidelines and ISO 27001:2022. The Company maintains robust cyber security posture to protect the confidentiality and integrity of data.

SEBI vide its Master Circular for Mutual Funds dated June 27, 2024, Chapter 4 on Risk Management Framework (RMF) for Mutual Funds, HDFC Mutual Fund has adopted a Policy of Enterprise Risk Management with effect from April 1, 2022. As part of the framework, Risk Management function has incorporated policies, procedures, roles & responsibilities of the management, the Board of the Company and the Board of HDFC Trustee Company Limited. The Board of your Company has approved the Risk Management framework, revised few policies in line with the said SEBI circular and has implemented risk measures outlined in the said circular. The terms of reference of the Risk Management Committee has been enhanced in line with requirements of the said SEBI circular as its main function is to oversee the risks associated with the business of mutual fund at the enterprise level, regulatory, compliance, operation and other functions of Company.

Adequacy of Internal Controls

Your Company has internal control systems which commensurate with the size and complexity of its operations.

The internal control systems comprise of standardised policies and procedures covering all functional areas aimed at ensuring sound management of operations, reliable financial reporting, safeguarding of assets and prevention and detection of frauds and errors. The Audit Committee of the Board of Directors, at regular intervals and in co-ordination with Internal and Statutory Auditors, review the adequacy of Internal Controls within your Company.

Further, the internal financial controls related to financial statements are found to be adequate and operating effectively and that no material weakness has been noticed during the year under review.

Corporate Social Responsibility

In terms of Section 135 of the Act, your Company has formed an Environmental, Social & Governance and Corporate Social Responsibility ('ESG & CSR') Committee to inter-alia approve activities to be undertaken, expenditure to be incurred and to monitor the performance of the CSR activities undertaken by the Company. The said committee also oversees the development and implementation of the Company's ESG framework.

The Committee consist Mr. Deepak S. Parekh (Chairman), Mr. Parag Shah, Mr. Sanjay Bhandarkar and Mr. Navneet Munot. The Company Secretary acts as the Secretary to the Committee.

The Company undertakes its CSR activities through a variety of effective programs. The major thrust of the CSR activities of the Company is in the areas of promoting education and health care. The Company also undertakes CSR activities in the areas of promoting sports and environment sustainability. These activities are in accordance with Schedule VII to the Act.

The Board of Directors and the ESG & CSR Committee review and monitor from time to time all the CSR activities being undertaken by the Company.

The annual report on CSR activities along with the executive summary for Impact Assessment Reports of the applicable projects, in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, is set out at **Annexure II** to this report.

During the year, the Company has fully spent the required amount towards CSR activities.

The composition of the ESG & CSR Committee, CSR Policy, CSR activities undertaken by the Company and the complete Impact Assessment Reports of the applicable projects are available on the Company's website at https://www.hdfcfund.com/about-us/corporate-profile/csr.

Particulars of Contracts or Arrangements with Related Parties

During the year your Company has entered into transactions with related parties as defined under Section 2(76) of the Act read with Companies (Specification of Definitions Details) Rules, 2014, SEBI Listing Regulations and applicable Accounting Standards, which were in the ordinary course of business and on arms' length basis and in accordance with the policy on Related Party Transactions of the Company.

The Policy ensures proper approval and reporting of the concerned transactions between the Company and related parties.

The policy on Related Party Transactions is placed on the Company's website at https://www.hdfcfund.com/about-us/corporate-governance/code-policy.

During the year, there was no material transaction with any related parties as per the Related Party Transactions Policy of the Company or any other related party transaction entered into by the Company that requires disclosure in Form AOC-2, hence, disclosure in Form AOC-2 is not applicable to the Company.

The disclosures pertaining to related party transactions as per the applicable Accounting Standards form part of the notes to the financial statements provided in this Annual Report.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments, if any, covered under the provisions of Section 186 of the Act are provided in the notes to financial statements.

Deposits

During the year, your Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014.

Unclaimed Dividend on Shares

As at March 31, 2025, unclaimed dividend amounting to ₹99,13,752/- which has not been claimed by shareholders of the Company and is lying in the respective Unpaid Dividend Accounts of the Company.

Your Company has disclosed the statement containing the names, last known addresses of those shareholders whose dividend is unpaid on the Company's website at www.hdfcfund.com.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on the financial year ended March 31, 2025 is placed on the Company's website at https://www.hdfcfund.com/about-us/financial/annual-reports.

Vigil Mechanism / Whistle Blower Policy

Whistle Blower Policy is in place and details of the same are provided in the Report of the Directors on Corporate Governance, which forms part of this report.

Fraud Monitoring / Prevention

Your Company has in place the 'Policy for Prevention of Frauds', aimed at promoting consistently ethical organizational behaviour by assigning responsibility and enforcement of controls to aid prevention and detection of fraud in the Company. Frauds, if any identified by and/or reported to the Company are investigated for assessment of root cause and relevant corrective steps shall be undertaken including any preventive actions. No frauds were identified/ reported for the financial year 2024-25.

Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information pertaining to the conservation of energy and technology absorption in terms of Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014 is stated as below:

(a) Conservation of energy and technology absorption

Your Company does not consume high levels of energy and regular efforts are made to adopt appropriate energy conservation measures and technology absorption methods.

(b) Foreign Exchange, earnings and expenditure during the year –

- Foreign exchange earnings: ₹ 0.01 crore (previous year: ₹ 0.01 crore)
- Foreign exchange expenditure: ₹ 4.94 crore (previous year: ₹ 11.68 crore)

Particulars of Employees

As on March 31, 2025, your Company has 1,618 employees and for the previous year, your Company had 1,509 employees.

In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn are set out in the annexure to this report. In terms of the provisions of Section 136(1) of the Act, the Directors' Report is being sent to all shareholders of the Company excluding the annexure. Any shareholder interested in obtaining a copy of the annexure may write to the Company.

Further, disclosures on managerial remuneration as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as **Annexure III**.

Other Disclosures

- There was no change in the nature of the business of the Company.
- There was no revision in the financial statements of the Company.
- During the year, there was no receipt of any remuneration or commission by the MD & CEO of the Company from its Holding Company and Subsidiary Company.
- Disclosure pertaining to maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act, is not applicable to your Company.
- There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.
- There was no one-time settlement entered into with any Bank or financial institutions in respect of any loan taken by the Company.
- Details of the Audit Committee of the Board of Directors including its composition are provided in the Report of the Directors on Corporate Governance, which forms part of this report.

Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Act and based on the information provided by the management, your Directors state that:

(i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of March 31, 2025 and of the profit of the Company for year ended on that date;

(iii) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) The annual accounts of the Company have been prepared on a going concern basis;

(v) Internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively; and

(vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Secretarial Standards

Your Company is in compliance with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India in terms of the Act.

Prevention of Sexual Harassment Policy And Its Reporting

Your Company has framed and implemented a Policy on Sexual Harassment of Women at Workplace aiming at prevention of harassment of employees which lays down the guidelines for identification, reporting and prevention of undesired behaviour. 6 (six) Internal Committees (IC) for different zones were constituted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with women employees being a majority and an external member. The Policy, IC Members' details and the penal consequences of violating the said Act/ Policy are displayed at all offices/ISCs and on the intranet of the Company. Regular employee awareness sessions are conducted to generate awareness about the policy, reporting mechanism and prevention of sexual harassment at the workplace. During the year, the IC received no complaint pertaining to sexual harassment.

Significant/Material orders passed by the regulators

There are no significant and material orders by any regulator, court, tribunal impacting the going concern status of the Company and its operations in future.

Material Changes and Commitments, if any, affecting the Financial Position of the Company from the Financial Year end till the date of this Report

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2024-25 and the date of this Report.

Acknowledgements

The Directors take this opportunity to thank its investors, shareholders, trustee company, bankers, distributors, key partners, Investor Service Centres and other service providers for their continued support. The Directors would like to convey their gratitude to HDFC Bank Limited, promoter of your Company.

The Directors acknowledge the valuable assistance, support and guidance given by the Securities and Exchange Board of India, Association of Mutual Funds of India, Reserve Bank of India, Ministry of Corporate Affairs, Registrar of Companies, Stock Exchanges and Depositories.

The Directors wish to place on record their appreciation to employees at all levels for their dedication and commitment.

The Directors also acknowledge the faith reposed in HDFC Mutual Fund by its investors and look forward to their continued support.

On behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

Place: Mumbai
Date: May 23, 2025

CIN: L65991MH1999PLC123027
Registered Office:
"HDFC House", 2nd Floor, H. T.
Parekh Marg
165 - 166, Backbay Reclamation, Churchgate
Mumbai – 400 020.
Tel.: 022 – 6631 6333, Fax: 022 – 66580203

Annexure I

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HDFC Asset Management Company Limited
HDFC House, 2nd floor, H. T Parekh Marg,
165-166, Back bay reclamation, Churchgate,
Mumbai- 400020, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HDFC Asset Management Company Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and the maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2025** (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment (Foreign Direct Investment and External Commercial Borrowings Not Applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period)

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period) and

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. (Not Applicable to the Company during the Audit Period)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder.

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. as mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following specific laws to the extent applicable to the Company:

i. Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

ii. Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; and

iii. Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the audit period except re-appointment of Managing Director and Independent Director which were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has

1. issued and allotted 3,09,086 equity shares of ₹ 5/- each pursuant to Employee Stock Option Scheme – 2020.

2. obtained shareholder's approval at an Annual General meeting held on July 24, 2024 for :

   a. amendments in the Articles of Association of the Company

   b. to provide special rights to HDFC Bank Limited.

   c. approval for extending the benefit and coverage of Employees Stock Option Scheme – 2020 of the Company to the eligible employees of HDFC AMC International (IFSC) Limited, a Wholly Owned Subsidiary of the Company.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6290/2024

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533G000422455

Date: May 23, 2025
Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To,
The Members,
HDFC Asset Management Company Limited
HDFC House, 2nd floor, H. T Parekh Marg,
165-166, Back bay reclamation, Churchgate,
Mumbai- 400020, Maharashtra

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6290/2024

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533G000422455

Date: May 23, 2025
Place: Mumbai

ANNEXURE II

Annual Report on Corporate Social Responsibility Activities

As prescribed under Section 135 of the Companies Act, 2013
and Companies (Corporate Social Responsibility Policy) Rules, 2014

1. **Brief outline on CSR Policy of the Company:** The Company carries its Corporate Social Responsibility ('CSR') activities through various implementing agencies. The details of the Company's CSR Initiatives project / programs and activities are provided in this annexure and more particularly specified in the CSR Policy of the Company which is uploaded on its website and can be viewed on https://www.hdfcfund.com/about-us/corporate-profile/csr.

2. **Composition of Environmental, Social and Governance and Corporate Social Responsibility ('ESG & CSR') Committee:**

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of ESG & CSR Committee held during the year	Number of meetings of ESG & CSR Committee attended during the year
1	Mr. Deepak S. Parekh	Chairman	3	2
2	Mr. Parag Shah	Independent Director	3	3
3	Mr. Navneet Munot	Managing Director and Chief Executive Officer	3	3
4	Mr. Sanjay Bhandarkar	Independent Director	3	3

3. **Provide the web-link(s) where Composition of ESG & CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:** https://www.hdfcfund.com/about-us/corporate-profile/csr.

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

   The Company in line with sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, has undertaken Impact Assessment of the applicable projects through an independent agency. The complete Impact Assessment Reports of the applicable projects are available on the Company's website at https://www.hdfcfund.com/about-us/corporate-profile/csr.

   A brief outline of the aforesaid Impact Assessment is mentioned below:

   HDFC AMC has ingrained Corporate Social Responsibility (CSR) into its core values and culture. The organization is committed to creating value for the ecosystem in which it operates and has been be undertaking initiatives long before the provisions of CSR in the Companies Act, 2013. HDFC AMC supports projects undertaken by credible NGOs, community groups, and other organizations for social and philanthropic causes. To ensure effective monitoring of these projects, the Company has partnered with Samhita Social Ventures as its administrative partner.

Healthcare Initiatives

i. **Indian Cancer Society – Cancer Cure Fund**

About the Project -

The project aimed to promote better access to cancer treatment by providing financial aid to underprivileged and low-income patients diagnosed with curable or early-detected cancers, through a network of empanelled hospitals. The program offered financial assistance to patients diagnosed with oral, breast, gastrointestinal, hematologic, and other types of cancer. Beneficiaries received funds to cover diagnostic tests such as MRI scans, CT scans, PET scans, biopsies, and blood tests. The analysis highlights patient demographics, financial challenges, the ease of the aid application process, and the effectiveness of the support provided.

HDFC AMC's Objective -

HDFC AMC supported Cancer Cure Fund in partnership with the Indian Cancer Society (ICS) by providing financial aid for treatment of underprivileged and low-income patients diagnosed with any curable/ early detected cancers. ICS has empanelled 18 hospitals across 14 states of India. In the financial year 2022-23, HDFC has provided financial support to more than 1750 beneficiaries across India.

Key Findings

- **Demographics:** Patients ranged in age from **less than 18 to above 60 years**, with **62% being male**.
- **Financial Background:** Most patients belonged to **low-income households**, with an **average monthly income between ₹5,000-₹15,000**.
- **Primary Earner Disruption: 40% of patients were primary earners**, and many faced **job loss or wage reduction** due to illness.
- **Ease of Application: 90% found the aid process easy**, with **68% receiving approvals within a week**.
- **Treatment Initiation: 94% began treatment immediately** after diagnosis.
- **Aid Coverage: 36% had to arrange additional funds**, while **18% had full coverage**.
- **Program Satisfaction: 96% reported clear communication**, and 94% felt treated with dignity at hospitals.

Impact Highlights

- **Early Diagnosis: 92% of patients underwent tests promptly**, reducing delays in treatment.
- **Financial Relief:** Aid significantly lowered diagnostic costs, minimizing out-of-pocket expenses.
- **Healthcare Access:** Patients across **multiple states** received diagnostic support, enhancing regional healthcare outreach.
- **Economic Stability:** While many patients faced income loss, the program eased financial stress by supporting essential diagnostics.

Alignment with SDGs

The initiative contributes to multiple **UN Sustainable Development Goals (SDGs)**:



SDG 3 (Good Health & Well-being) – Ensures access to early cancer diagnosis and treatment.



SDG 1 (No Poverty) – Reduces the financial burden of healthcare costs on low-income families.



SDG 10 (Reduced Inequalities) – Supports marginalized communities in accessing essential health services.

ii. Indian Cancer Care Fund (AKITF)

About the Project

The Access to Knowledge and Information for Timely Diagnostics Fund (AKITF), led by the Indian Cancer Society with support from HDFC Asset Management Company Ltd., aims to remove financial and logistical barriers to early cancer diagnosis for underserved populations in India. By providing direct aid for essential diagnostic tests—such as PET-CT scans, MRIs, biopsies, and blood work—wthe initiative speeds up treatment and reduces delays that worsen outcomes.

AKITF is a critical intervention targeting marginalized groups who often face high costs and low healthcare awareness. It exemplifies a private-civil society partnership focused on promoting healthcare equity through early detection.

HDFC AMC's Objective: -

In FY 2022-23, with HDFC AMC's support, AKITF offered financial support to more than 650 beneficiaries PAN India.

Key Findings:

- **Timely Diagnosis -** 83% of beneficiaries-initiated treatment immediately after diagnosis, indicating that financial support significantly reduced delays in care.
- **Encouraging Early Health-Seeking Behavior -** 70% of patients acknowledged that financial aid was a deciding factor in seeking diagnosis earlier than planned.
- **Demographic Reach -** The majority of patients were aged 31–45, with 65% male representation. A significant proportion belonged to households earning up to ₹20,000 per month, indicating effective targeting of lower-income groups.

Impact Highlights

- **Patient Satisfaction -** 85% reported satisfaction with the aid process and communication, while 70% felt they were treated with respect and dignity at healthcare facilities.
- **Financial Relief -** Aid reduced direct diagnostic expenses. However, 36% of patients still reported the need for supplementary funds, suggesting that while impactful, support was sometimes only partial.

Alignment with SDG's



SDG 3 – Good Health & Well-being Improves access to timely diagnosis and accelerates treatment pathways.



SDG 1 – No Poverty Reduces catastrophic health expenditure for low-income families.



SDG 10 – Reduced Inequalities Prioritizes vulnerable populations who face healthcare access disparities.

iii. The Dharamsala Project

About the Project -

The aim of this project is to provide accommodation to out-station cancer patients and their families who are seeking treatment at the Tata Memorial Hospital. Cancer patients travel from all over the country to be treated at the Tata Memorial Hospital (TMH), Parel, Mumbai. Out-station patients and their families face huge difficulties in finding accommodation near the hospital. This forces patients and their families either to live on the streets in the vicinity of the hospital or to travel long distances to reach the hospital for each visit or to pay large sums of money towards accommodations.

HDFC AMC's Objective -

HDFC AMC is committed to fund the Capital & Operational Expenditure to operationalize the Dharamshala facility for the cancer patients and their attendants in partnership with the Rotary Club of Bombay. These 100 flat facilities are now equipped with modern medical amenities and has round the clock availability of doctors and paramedical staff.

Key Findings

- **Accommodation and Amenities**

  The beneficiaries overwhelmingly rated the Dharamshala facilities positively. About **80% of respondents** described the quality of apartments as **"Good"** or **"Excellent."** Key aspects such as cleanliness of rooms, maintenance of shared spaces, and effectiveness of laundry and pest control services received consistently high satisfaction scores. Beneficiaries appreciated having a dignified and hygienic living space during a vulnerable phase of their treatment.

- **Resident Engagement and Emotional Support Activities**

  Participation in community-building activities such as **informative sessions, recreational gatherings, and peer support groups** had a notable positive impact. Around **60% of respondents** engaged in these activities, with many highlighting improved emotional well-being, reduced feelings of isolation, and strengthened community bonds among residents. Some respondents who attended multiple sessions reported feeling **"very supported"** during emotionally difficult periods of treatment.

  An overwhelming **90%+** of surveyed beneficiaries indicated that they would **"definitely recommend"** the Dharamshala accommodation program to other patients and families facing similar challenges. This strong recommendation rate underscores the **trust, satisfaction, and positive experience** beneficiaries had with the program, affirming its alignment with patient needs.

Impact Highlights

- **Social Impact:**

  The program dramatically reduced the emotional burden and financial stress faced by families who might otherwise struggle to afford accommodation during treatment.

- **Health & Hygiene Outcomes:**

  Safe, clean housing improved overall patient health resilience, supporting better treatment adherence and outcomes.

- **Community Building:**

  The Dharamshala became a safe space for emotional healing, peer bonding, and knowledge-sharing among cancer-affected families.

- **Operational Excellence:**

  High service satisfaction in cleanliness and accommodation facilities sets a benchmark for dignity-driven healthcare support initiatives.

Alignment with SDGs

The initiative contributes to multiple **UN Sustainable Development Goals (SDGs):**



SDG 1 (No Poverty) – Reduces the financial burden of healthcare related costs on low-income families.



SDG 10 (Reduced Inequalities) – Supports marginalized communities in accessing essential health services.

Education Initiatives

1. Seva Kutir Project

About the Project -

Parivaar Education Trust began the Seva Kutir Program in 2017 under which Seva Kutirs for children between the ages of 4 to 14 years were established in select impoverished tribal and rural pockets. The Program addresses and tackles malnutrition and poor learning outcomes by providing balanced diet, supplementing education, and life skills to vulnerable children from very remote and poor tribal villages. The Seva Kutir Program, implemented by Parivaar Education Society with support from HDFC Asset Management Company Ltd., was designed to bridge critical gaps in education and nutrition for children living in remote, tribal regions of Madhya Pradesh, specifically in Sheopur and Khandwa districts. These areas face high levels of poverty, low literacy, and limited access to quality schooling, often resulting in irregular attendance and high drop-out rates among children.

HDFC AMC's Objective -

In FY 2022-23, HDFC AMC in partnership with Parivaar Education Society, has provided daily nutritious meals and quality education to more than 6400 children across 60 Seva Kutirs in Sheopur and Khandwa districts of Madhya Pradesh.

Key Findings

- One-third of the respondents (37.0%) were aged 12–13 years, while 33.0% were in the 10–11 years age group. Additionally, 21.0% of the respondents were below 10 years of age.
- Female students made up a little over half of the sample, accounting for 54.6% of respondents
- A large majority of respondents (94.0%) confirmed receiving two meals at the Seva Kutir, with all stating that the food was provided on time.
- All of the respondents reported engaging in handwashing before meals.
- All of the respondents reported brushing their teeth every day and taking a regular bath daily in terms of daily hygiene practices.

Impact Highlights

- 97.0% of the students reported improved performance in school exams, indicating that Seva Kutir classes helped them better understand subjects.
- The provision of two meals daily at Seva Kutir improved children's nutrition, enhancing their health, concentration, and learning abilities. Parents shared that the meals helped reduce household food expenses.
- 99.0% of students said they now feel confident asking questions in school, and 97.0% reported openly sharing problems or needs with teachers.
- Positive behaviour changes were also observed, with 97.0% of the students regularly brushing their teeth at home and many practising handwashing before meals and using soap in toilets.

Alignment with SDGs

The initiative contributes to multiple **UN Sustainable Development Goals (SDGs):**



SDG 1 No Poverty – The program targets children from impoverished tribal and rural backgrounds, addressing intergenerational poverty by providing foundational support.



SDG 2 Zero Hunger - By offering a balanced diet to children, the program directly tackles malnutrition.



SDG 3 Good Health and Well-being - The focus on nutrition and life skills contributes to the overall physical and mental well-being of children.



SDG 10 Reduced Inequalities - The initiative works to bridge disparities in education and health access for children in marginalized tribal regions.



SDG 17 Partnerships for the Goals - The program exemplifies collaboration between a nonprofit (Parivaar Education Society) and a corporate partner (HDFC AMC), showcasing cross-sectoral partnership for sustainable development.

2. Ashoka University Project

About the Project -

Ashoka University, India's first multidisciplinary liberal arts university, is undergoing a significant expansion to accommodate its growing student body and enhance its educational and research capabilities. The university scaled its presence from 25 acres to 93 acres, marking the beginning of its Build Ashoka phase, which includes the development of new academic blocks, residential spaces, and advanced research facilities. Given Ashoka's ambition to become a leading global hub for impactful research, the expansion aims to increase student capacity, improve infrastructure, and create an ecosystem fostering academic excellence.

HDFC AMC's Objective -

In FY 2022-23, HDFC AMC has supported Ashoka University in building a world-class educational facility.

The initiative includes:

- Construction of R1 & R2 Residential Blocks, providing housing for over 1,800 students with modern amenities like study lounges, fitness centers, communal kitchens, and recreational spaces.
- Sustainability-driven design, ensuring energy efficiency, LEED & GRIHA certification, and net-zero buildings for reduced environmental impact.

Key Findings

- **Improved Student Accommodation:** High-quality rooms, enhanced safety measures, and proximity to academic spaces improved student living conditions.
- **Operational Support:** HDFC AMC's financial aid contributed to faculty and staff salaries, ensuring continued academic excellence.
- **Sustainability & Accessibility:** The residential blocks were designed to reduce energy consumption and operational costs, advancing environmental sustainability.
- **Student Feedback:** Overall satisfaction increased, with requests for additional food courts, recreational spaces, and enhanced connectivity (Wi-Fi, transport links).

Impact Highlights

- **Student Capacity:** Housing capacity expanded by 80%, reducing dependence on off-campus accommodations.
- **Reduced Carbon Footprint:** Sustainable buildings led to a 30% reduction in energy consumption and improved resource efficiency.
- **Well-being and Inclusivity:** Improved residential facilities contributed to better mental health, community building, and inclusivity for diverse student populations.
- **Economic Relief:** On-campus housing lowered living costs for students from low-income backgrounds, improving access to higher education.

Alignment with SDGs

The initiative contributes to multiple **UN Sustainable Development Goals (SDGs):**



SDG 4 Quality Education – By enhancing educational and research infrastructure.



SDG 9 Industry, Innovation, and Infrastructure – Through the creation of advanced research and innovation hubs.

3. Bombay Scottish Orphanage Society (BSOS)

About the Project -

If we look at children from underprivileged backgrounds, they often lack stable housing, quality education, and emotional support. For over a century, the Bombay Scottish Orphanage Society (BSOS) has addressed these gaps by providing holistic care to orphaned, abandoned, and vulnerable children.

Through its residential care model, BSOS offers safe housing, nutritious meals, formal education, and extracurricular opportunities. The society also emphasizes emotional well-being, moral guidance, and life skills to foster self-reliance and personal growth. By working closely with schools, counselors, and vocational trainers, BSOS ensures each child receives personalized support to thrive in adulthood.

Rooted in compassion and continuity, BSOS protects children's rights and nurtures responsible, resilient, and socially conscious individuals.

HDFC AMC's Objective -

In FY 2022-23, HDFC AMC has decided to provide support towards the restoration and refurbishment of the premises of Bombay Scottish School, Mahim.

Key Findings

- **Strong Awareness & Positive Impressions:** 94% of students noticed significant changes, with upgrades like new roofs, walls, stairs, and classrooms making a strong visual impact. The addition of prettier windows, fresh paint, and green spaces further enhanced the school's environment.
- **Emotional & Safety Response:** Every student reported feeling "very happy", with 100% approval of

the renovation. The sense of safety also improved, with all students feeling "much safer" inside the upgraded school.

- **Enhanced Classroom Comfort & Learning Experience:** 94% of students found classrooms more comfortable, benefiting from improved lighting, ventilation, and accessibility. Renovated stairs, hallways, and toilets contributed to smoother movement within the school, leading to better focus and study conditions.
- **Most Loved Features:** Students appreciated libraries, art rooms, music and dance spaces, along with digital applications, air-conditioned classrooms, and green areas, which created a refreshing atmosphere.
- **Suggested Improvements:** While most students felt the renovation was complete, a few suggested expanding the hall for larger gatherings and upgrading washrooms for better hygiene.

Impact Highlights

- The renovation has enhanced the safety of the school premises, ensuring a secure environment for all students.
- The upgraded infrastructure has created a more engaging and stimulating atmosphere for learning.
- Students now benefit from a more student-friendly setup that caters to their academic and emotional needs.
- The improved learning environment has led to greater student satisfaction and enthusiasm for attending school.
- The changes have contributed to better focus and participation among students, enhancing their overall educational experience.

Alignment with SDGs

The initiative contributes to multiple **UN Sustainable Development Goals (SDGs):**



SDG 4 Quality Education – By enhancing educational and research infrastructure.



SDG 9 Industry, Innovation, and Infrastructure – Through the creation of advanced research and innovation hubs.

4. **Sampark Education Society**

About the Project -

The Sampark Foundation Learning Enhancement Program is an education-focused initiative aimed at improving foundational literacy and numeracy in government primary schools across rural India. Using frugal innovation and teacher empowerment, the program seeks to bridge learning gaps among students in early grades, particularly in underserved communities. Through tools such as audio devices (Sampark Didi), workbooks, and structured classroom routines, the initiative supports improved teaching-learning outcomes at scale.

HDFC AMC's Objective -

HDFC AMC has partnered with Sampark Foundation to implement the Sampark Smart Shala Project. The project aspires to improve the learning outcomes of children studying in the government schools of rural Maharashtra. The intervention provides unique and interactive training to teachers so that they can deliver lessons in the classroom using innovative tools. The usage of innovative and digital tools is key in making learning fun for children and for uplifting the quality of education.

Key Findings

- **Learning Gains:** 78% of students showed improvement in grade-level reading and math comprehension.
- **Teacher Engagement:** 85% of teachers reported improved confidence and effectiveness in classroom delivery.
- **Tool Utilization:** 91% of classrooms regularly used Sampark Didi audio devices and visual aids.
- **Community Involvement:** 62% of schools reported increased parental interest in learning outcomes.
- **Cost-Effectiveness:** The program operates at less than ₹100 per child per year, making it one of the most frugal large-scale education interventions.

Impact Highlights

- **Foundational Learning:** The program directly contributed to improved foundational literacy and numeracy, especially in Grades 1–3.
- **Teacher Empowerment:** Training and easy-to-use resources enhanced teacher motivation and classroom effectiveness.
- **System Strengthening:** Collaboration with education departments led to integration into state-level plans and training programs.

- **Equity in Access:** Focused on remote and tribal schools, the program helped reduce urban-rural disparities in education quality.

Alignment with SDGs

The Sampark Foundation initiative supports several **UN Sustainable Development Goals:**



SDG 4 (Quality Education) – Promotes inclusive and equitable quality education for early-grade learners.



SDG 1 (No Poverty) – Empowers future generations through improved educational attainment.



SDG 10 (Reduced Inequalities) – Enhances learning equity in marginalized and remote communities

1. Environmental Sustainability

About the Project:

The Urban Forest Project initiative at **Kalina University**, supported by HDFC AMC, aims to enhance biodiversity and promote sustainable environmental practices within the campus. The project focuses on afforestation using the **Miyawaki method**, a technique known for creating dense, fast-growing native forests that contribute to ecosystem restoration and carbon sequestration. Despite the potential benefits, survey responses indicate **low awareness and participation** among university stakeholders, highlighting the need for improved outreach and engagement strategies.

HDFC AMC's Objective

HDFC AMC's objective was to promote the environmental sustainability and help improve ecological balance by supporting the sustentation of the Bio Diversity park in the Mumbai University's Kalina campus. The park consists of an urban forest created with the Akira Miyawaki technique which uses the local flora and fauna to create a dense forest area creating a robust eco-habitat in a small space.

Key Findings:

- **40%** of students reported a rise in environmental interest among peers, indicating the initiative's potential to influence environmental consciousness.
- **Student-Dominated Response Base:** Since **students comprised 54%** of survey respondents, outreach efforts should target student communities to enhance engagement.

Impact Highlights:

- Increased biodiversity such as the presence of birds and insects observed by 24% of the respondents.
- Nearly 30% felt better air quality implying that while visual and biological impacts are evident, perceived atmospheric benefits may take longer to materialize or require further reinforcement.

Alignment with SDGs

The initiative contributes to multiple **UN Sustainable Development Goals (SDGs):**



SDG 13 (Climate Action): By promoting afforestation and ecosystem restoration, the project supports carbon sequestration efforts.



SDG 15 (Life on Land): The initiative fosters **biodiversity conservation**, aiding native species restoration in urban environments.



SDG 11 (Sustainable Cities and Communities): The plantation contributes to **urban greenery**, improving air quality and environmental resilience.



SDG 4 (Quality Education): Enhancing student engagement in environmental sustainability initiatives aligns with **practical learning and awareness-building.**

5. a. **Average net profit of the company as per sub-section (5) of section 135:** ₹ 17,29,67,98,183/-

   b. **Two percent of average net profit of the company as per sub-section (5) of section 135:** ₹ 34,59,35,964/-

   c. **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** NIL

   d. **Amount required to be set-off for the financial year, if any:** NIL

   e. **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 34,59,35,964/-

6. a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 34,36,34,745/-

   b) **Amount spent in Administrative Overheads:** ₹ 13,57,219/-

   c) **Amount spent on Impact Assessment, if applicable:** ₹ 9,44,000/-

   d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 34,59,35,964/-

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub- section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 34,59,35,964/-*	NIL	NA	NA	NIL	NA

* This amount includes: (i) amounts spent for CSR projects (₹ 34,36,34,745/-); (ii) amount spent as administrative Overheads (₹ 13,57,219/-) ; and (iii) amount spent on Impact Assessment (₹ 9,44,000/-)

f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 34,59,35,964/-
(ii)	Total amount spent for the Financial Year	₹ 34,59,35,964/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-2021-22	* 5,24,43,660	NIL	NIL	NIL	NIL	NIL	NA
2	FY-2022-23	NIL	NIL	NIL	NIL	NIL	NIL	NA
3	FY-2023-24	NIL	NIL	NIL	NIL	NIL	NIL	NA

* The said amount was duly spent during FY 2022-23, in accordance with Section 135 of the Companies Act, 2013 read with rules made thereunder.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

● Yes ○ No

If Yes, enter the number of Capital assets created/ acquired: 15

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if Applicable	Name	Registered Address
1	**Food Delivery Vehicle – Tata Ace EV – 4** S-73, Phase-1, badli industrial area, gate no.2, Nearby samaypur badli metro station, Delhi	110042	January 23, 2025	₹ 45,29,908	CSR00000286	Akshay Patra Foundation	The Akshaya Patra Foundation Hare Krishna Hill, West of Chord Road, Rajajinagar, Bengaluru - 560010
2	**Insulated Vessels – 86** S-73, Phase-1, badli industrial area, gate no.2, Nearby samaypur badli metro station, Delhi	110042	March 18, 2025	₹ 3,31,822			
3	**Food Delivery Vehicle – Tata Ace EV – 5** Orderly Bazar, Varanasi, Uttar Pradesh	221002	January 27, 2025	₹ 57,15,057			
4	**Vessels – 146** Orderly Bazar, Varanasi, Uttar Pradesh	221002	March 21, 2025	₹ 6,22,167			

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if Applicable	Name	Registered Address
5	**Emergency Department of the Nellai Cancer Hospital** Elayamuthur Road, Sengulam, Nanguneri Taluk, Tirunelveli District	627152	April 22, 2024	₹ 55,00,000	CSR00000897	Udhavum Ullangal Public Charitable Trust	77, First Main Road, CIT Nagar, Nandanam, Chennai - 600 035
6	**SITC of Server Infrastructure** Ashoka University, Plot No:2, Rajiv Gandhi Education Society, Sonepat	131029	NA	₹ 95,00,000	CSR00000712	International Foundation for Research and Education: Students of Ashoka University	222, 2nd Floor, Okhla Industrial Estate, Phase 3, New Delhi, 110020
7	**Fully equip the Ambulance** Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai	400011	March 24, 2025	₹ 26,08,248	CSR00004437	King George V Memorial Trust	Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai 400011
8	**a. ResMed Astral 150 (Ventilator) (5 Years Warranty)** **b. BPL Vivid Vue 12 Digital Spo2 (Patient Monitor) (5 Years Warranty)** **c. BPL Relife 900/R (Bi-phasic Defibrillator) (5 Years Warranty)** Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai		March 24, 2025	₹ 11,66,000	CSR00004437		
9	**a. BPL Acura S1 (Syringe Pump) (One Year Warranty)** **b. Vactach 103-80 Watts Suction (Suction Machine) (One Year Warranty)** **c. D Type 6000 Ltr Jurnbo Oxygen Cylinder** Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai		March 24, 2025		CSR00004437		
10	**Emergency Bag - Air ways Set, Hand Pulse Oximeter, Scissor, Surgical Dressing & First Aid Kit Etc. (Stethoscope, BP Apparatus, Nebulizer, Glucometer, Thermometer, Laryngoscope, Ambu Bag)** Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai		March 24, 2025	₹ 1,27,328	CSR00004437		
11	**Spine Board** Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai		March 24, 2025	₹ 7,200	CSR00004437		
12	**Head immobilizer** Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai		March 24, 2025	₹ 7,000	CSR00004437		
13	**Scoop Stretcher** Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai		March 24, 2025	₹ 17,500	CSR00004437		
14	**Ambulance Stretcher** Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai		March 24, 2025	₹ 80,000	CSR00004437		
15	**Wheelchair – 2** Anand Niketan, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai		March 24, 2025	₹ 35,400	CSR00004437		

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:

Not Applicable

Deepak S. Parekh
DIN: 00009078
Chairman of ESG & CSR Committee

Navneet Munot
DIN: 05247228
Managing Director & Chief Executive Officer

ANNEXURE III

Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided below:

Ratio of remuneration of each director to the median employees' remuneration for FY 2024-25

Name	Designation	Ratio of remuneration to the median employees' remuneration
Mr. Navneet Munot	Managing Director and Chief Executive Officer	84.4:1
Mr. Deepak S. Parekh	Non-Executive - Non Independent Director	4.93:1
Ms. Renu Karnad	Non-Executive - Non Independent Director	5.41:1
Mr. Dhruv Kaji	Non-Executive - Independent Director	5.22:1
Mr. Jairaj Purandare	Non-Executive - Independent Director	4.74:1
Mr. Sanjay Bhandarkar	Non-Executive - Independent Director	4.54:1
Mr. Parag Shah	Non-Executive - Independent Director	3.58:1
Ms. Roshni Nadar Malhotra	Non-Executive - Independent Director	5.61:1
Mr. V Srinivasa Rangan	Non-Executive (Nominee) Director	-

Notes:

The Company has considered fixed pay and performance bonus / commission for the computation of ratios. Fixed pay includes – salary, allowances, as well as value of perquisites excluding retiral benefits.

Percentage increase in the remuneration of each director and key managerial personnel in FY 2024-25

Key Managerial Personnel

Name	Designation	Increase in Remuneration (%)
Mr. Navneet Munot	Managing Director and Chief Executive Officer	12.22%
Mr. Naozad Sirwalla	Chief Financial Officer	10.65%
*Ms. Sylvia Furtado	Company Secretary	NA
#Ms. Sonali Chandak	Company Secretary	NA

*Ms. Sylvia Furtado, resigned as Company Secretary & Head-Legal w.e.f. close of business hours of July 15, 2024.

Ms. Sonali Chandak has been appointed as Company Secretary & Head-Legal w.e.f. July 16, 2024.

Non-Executive Directors

There was no change in the sitting fees paid to the Non-Executive Directors for attending meetings of board/committees. However, during the FY 2024-25, the commission payable to each Non-executive Director is ₹ 30 lac as against ₹ 25 lac in the previous FY 2023-24 (increase by 25%) and this Commission will be paid after the financial statements are approved by the Shareholders at the Annual General Meeting to be held on June 25, 2025.

Further, details on remuneration for all the directors are provided in Corporate Governance Report which is a part of this Annual Report.

Percentage increase in the median remuneration of employees in FY 2024-25

The percentage increase in the median remuneration of employees in FY 2024-25 was 18.64%.

Number of permanent employees on the rolls of the Company

The Company had 1618 permanent employees as of March 31, 2025.

Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in the salaries of all employees for FY 2024-25 was 15.27%. The average increase in remuneration of managerial personnel was 11.93% and non-managerial personnel was 15.43%.

The criteria for remuneration evaluation for all non-managerial personnel is based on an appraisal process which is conducted on semi-annual basis and the remuneration of the managerial personnel is based as per the Nomination & Remuneration Policy. The increase in remuneration is an outcome of a combination of the overall performance of the Company and individual's performance. The Company reiterates that there were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company

Affirmation that the remuneration is as per the remuneration policy of the Company

Yes

Business Responsibility & Sustainability Report

Principle 1 104

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable



Principle 2 107

Businesses should provide goods and services in a manner that is sustainable and safe



Principle 3 109

Businesses should respect and promote the well-being of all employees, including those in their value chains

Great Place To Work. Certified FEB 2025-FEB 2026 INDIA

Principle 4 115

Businesses should respect the interests of and be responsive to all its stakeholders

HDFC MUTUAL FUND
SIP Saheli

Principle 5 117

Businesses should respect and promote human rights



Principle 6 121

Businesses should respect and make efforts to protect and restore the environment



Principle 7 127

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Signatory of:
PRI Principles for Responsible Investment

Principle 8 128

Businesses should promote inclusive growth and equitable development



Principle 9 131

Businesses should engage with and provide value to their consumers in a responsible manner



Section A- General Disclosures

I. Details of the listed entity:

Sr. no	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L65991MH1999PLC123027
2	Name of the Listed Entity	HDFC Asset Management Company Limited ('HDFC AMC'/ the Company')
3	Year of Incorporation	1999
4	Registered Office Address	HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai – 400 020
5	Corporate Address	HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai – 400 020
6	E-mail	shareholders.relations@hdfcfund.com
7	Telephone	+91 22 66316333
8	Website	www.hdfcfund.com
9	Financial Year for which reporting is done	FY 2024-25
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) & National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹ 106.90 Crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Kartik Parekh Joint Assistant Vice President- Investor Relations Telephone no- +91 22 66316333 E-mail id- kartikp@hdfcfund.com
13	Reporting boundary	Disclosures made in this report are on a standalone basis and pertains only to HDFC Asset Management Company Ltd.
14	Name of assessment or assurance provider	SGS India Private Limited
15	Type of assessment or assurance obtained	Reasonable Assurance for BRSR Core attributes

II. Products/Services

16. Details of Business Activities

Sr.no	Description of Main Activity	Description of Business Activity	% of Turnover
1.	Financial & Insurance Service	Fund Management Services	99.54
2.	Financial & Insurance Service	Financial Advisory, Brokerage & Consultancy Services	0.46

17. Products/Services sold by the entity

Sr.no	Product/Service	NIC Code	% of Turnover contributed
1.	The Company offers a wide range of savings and investment products ranging from mutual funds, including both actively managed and passive options, to portfolio management services and alternative investment opportunities catering to the needs of a large and diverse customer base.	66301	100

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	NA*	279	279
International#	NA*	1	1

*The Company is into financial services and does not undertake any manufacturing activity

Representative Office in Dubai

19. Markets served by the entity

a. Number of locations

Location	Total
National (No. of States)*	36
International (No. of Countries)	-

*Includes union territories

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Revenue from outside India contributed 0.001% to the total revenue of FY 2024-25

c. A brief on types of customers

We serve a large and diverse customer base through a wide range of mutual fund and alternative investment products that span across multiple asset classes. As of FY 2024–25, we have 1.32 crore unique customers and serviced 2.33 crore live accounts through our network of 280 offices. Nearly 24% of all mutual fund investors in India have chosen to invest with us, a reflection of the trust we've built and the reach we've established. Our Monthly Average Assets Under Management (MAAUM) for March 2025 reflect a strong contribution from retail investors, with individual investors contributing approximately 70% and institutional investors accounting for the remaining 30%. With a 13.2% market share of individual investor MAAUM for March 2025, we've firmly established ourselves as one of the preferred choices for individual investors in India. Geographically, 81% of our MAAUM comes from the top 30 cities, while 19% is sourced from beyond the top 30 locations.

IV. Employees

20. Details as at March 31, 2025

a. Employees (including differently abled):

Particulars	Total (A)	Male		Female	
		No (B)	% (B/A)	No (C)	% (C/A)
Permanent (D)*	1,618	1,165	72%	453	28%
Other than Permanent (E)	590	325	55%	265	45%
Total employees (D + E)	2,208	1,490	67%	718	33%

*active employees + employees serving notice

The entire workforce of the Company is categorized as 'Employees' and none as 'Workers'. Therefore, the information in BRSR under 'Workers' category is not applicable.

b. Differently abled employees

Particulars	Total (A)	Male		Female	
		No (B)	% (B/A)	No (C)	% (C/A)
Differently Abled Employees					
Permanent (D)	1	0	0%	1	100%
Other than Permanent (E)	1	1	100%	0	0%
Total differently abled employees (D + E)	2	1	50%	1	50%

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No & % of Females	
		No (B)	% (B/A)
Board of Directors	9	2	22.22
Key Management Personnel	3	1	33.33

Note: Details as at March 31,2025

22. Turnover rate for permanent employees and workers

Particulars	FY 24-25			FY 23-24			FY 22-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12%	12%	12%	13%	15%	14%	18%	24%	20%

Part V: Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures (As at March 31, 2025)

Sr.no	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held in listed entity
1	HDFC BANK LIMITED	Holding Company	52.47%
2	HDFC AMC International (IFSC) Limited	Wholly Owned Subsidiary ('WOS')	100%

Does the entity indicated at column A above, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)

Business Responsibility initiatives and disclosures made in this report are on a standalone basis and pertains only to HDFC Asset Management Company Ltd.

Part VI: CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 3,498 Crore

(iii) Net worth: ₹ 8,134 Crore

Part VII: Transparency and Disclosures Compliances -

25. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 24-25			FY 23-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	-	-	-	-	-	-
Investors (other than shareholders)	-	-	-	-	-	-	-
Shareholders[1]	Yes	7	0	-	4	0	-
Employees and workers[2]	Yes	0	0	-	3	0	-
Customers[3]	Yes	2,042	9	-	1,858	6	-
Distributors (Value Chain Partners)[4]	Yes	1	0	-	4	0	-
Others (Anonymous complaint)*	Yes	1	0	-	0	0	-

1 https://www.hdfcfund.com/information/shareholders-information-and-helpdesk, Shareholders can also write to shareholders.relations@hdfcfund.com

2 Internal polices placed on the intranet and some of the policies guiding company's conduct with its stakeholders on https://www.hdfcfund.com/about-us/governance/codes-policies.

3 https://www.hdfcfund.com/contact-us/investor-relationship-officer

3https://www.hdfcfund.com/information/grievances-redressal-mechanism

4Distributors can write to us at partners@hdfcfund.com or mfonlinefeedback@hdfcfund.com

* Certain issues relating to one of the branch offices of the Company.

26. Overview of the entity's material responsible business conduct issues

Various material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to the Company's business are as indicated below:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Responsible Investing	Opportunity/ Risk	As an institutional investor, the Company has a duty to act in the best long-term interests of its customers along with creating value. In this fiduciary role, ESG issues can also impact the performance of investment portfolios.	a. The Company has a robust investment philosophy, efficient risk management and sound governance practices. b. The Company's investment team monitors ESG related factors in investee companies. c. The Company has also adopted a stewardship code in line with the regulatory requirements. d. The Company has become signatory of the United Nations- supported Principles for Responsible Investment and Climate Action 100+. e. The Company has adopted the globally recognised CFA Institute Asset Manager Code.	Positive: Embedding ESG considerations in investment decisions reduces portfolio risks. Negative: Reputational risks, in case the Company is unable to meet the stakeholder expectations.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Financial Literacy	Opportunity	Indians have predominantly saved money in traditional fixed income instruments/ lockers which may or may not be able to deliver positive inflation adjusted returns or in unregulated instruments which may be high risk to capital.	The Company aims at inculcating a financial saving mindset by encouraging Indians to invest in mutual funds against traditional methods by launching investor awareness campaigns.	**Positive:** a. Enabling wealth creation for every Indian b. Connect with wider audience c. Increase in financial literacy
3.	Data Security & Customer Privacy	Risk	The Company relies heavily on its technology infrastructure. As majority of transactions are processed digitally, it increases cyber/ information security risk.	a. The Company has a strong Information Security and Cyber Risk Management framework wherein cyber risk and its mitigation are monitored by the Information Technology & Security Committee and Risk Management Committee b. The Company sensitises employees, customers and other stake holders on cyber frauds, data privacy and other related concerns. c. Identified personnel are regularly trained and limited access is provided to various members of the team to avoid fraudulent use of critical information.	**Negative:** a. Reputational risks b. Information Security and Cyber risk c. Compliance risk.
4.	Digitisation	Opportunity	The demand for and acceptance of digital transactions is increasing, driven by government initiatives like Digital India, low-cost internet data, widespread smartphone adoption and India's biometric identity card system (AADHAR)	The Company has consistently invested in technology, building a robust digital environment within the organization to minimize reliance on paper-based transactions and communication.	**Positive:** a. Cost efficiencies b. Better customer reach & service through digital operations c. Increased penetration in B30 cities

Section B- Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

PRINCIPLE 5

Businesses should respect and promote human rights

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Policy and Management Processes

Disclosure Questions	P1 Ethics & Transparency	P2 Product Responsibility	P3 Well-being of Employees	P4 Responsiveness to Stakeholders	P5 Respect for Human Rights	P6 Environment Protection	P7 Public Policy Advocacy	P8 Inclusive Growth	P9 Customer Engagement
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No[1]	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes (as applicable)								
c. Web Link of the Policies, if available	https://www.hdfcfund.com/about-us/corporate-governance/code-policy Some policies being internal documents are available to the employees through the company's intranet/HRMS								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes (as applicable)								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company has not mandated any vendors, suppliers, business partners etc. to participate in the BR initiatives of the Company. However, they are encouraged to adopt BR initiatives expected from responsible business entities.								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	• IS0 22301:2019 - Business Continuity Management System • ISO/IEC 27001:2022 - Information Security Management System • Signatory of the United Nations-supported Principles for Responsible Investment & Climate Action 100+								

Notes:

[1] The Company may share its expertise to help in the formulation of public policy but it does not directly engage in advocacy activities and hence does not have a specific policy for this purpose. The Company actively engages in investor education programmes for mutual funds in line with AMFI/SEBI guidelines. Further, the Company, through industry bodies, has advocated various governance, administration, economic and educational reforms.

Principle-wise Polices

Principle	Particulars	Policies
P1	Ethics & Transparency	• Whistle Blower Policy • Policy on Conflict of Interest • Social Media Policy • Anti-Bribery & Anti-Corruption Policy • Code of Conduct for Directors & Senior Management Personnel • AML/CFT & KYC Policy • Policy on Enterprise Risk Management • Environmental, Social & Governance Policy ('ESG Policy') • Responsible Investment Policy • Nomination & Remuneration Policy • Policy for Determination of Materiality of Events • Policy on Related Party Transactions • Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information • Outsourcing Policy • Voting Policy • Investment Valuation Policy and Procedures • Stewardship Code • Information Security Policy • Fraud Prevention Policy Other internal policies that elucidate ethical behavior, transparency and accountability
P2	Product Responsibility	• ESG Policy

Principle	Particulars	Policies
P3	Well-being of Employees	• Policy on Sexual Harassment of Women at Workplace • Whistle Blower Policy • ESG Policy • Nomination & Remuneration Policy • Policy provisions for Safety, Health & Wellbeing*
P4	Responsive to stakeholders, particularly the marginalised	• Corporate Social Responsibility Policy • Voting Policy • Investment Valuation Policy and Procedures • ESG Policy • Stewardship Code • Responsible Investment Policy • Policy on Enterprise Risk Management
P5	Respect for Human Rights	• Policy on Sexual Harassment of Women at Workplace • Whistle Blower Policy • ESG Policy • Responsible Investment Policy • Equal Opportunity Policy • Human Rights Policy • Grievance Redressal mechanism*
P6	Environmental Protection	• Business Continuity Policy • ESG Policy • Responsible Investment Policy • Policy on Enterprise Risk Management
P7	Public Policy Advocacy	The Company may share its expertise to help in the formulation of public policy, but it does not directly engage in advocacy activities. The Company actively engages in investor education programmes for mutual funds in line with AMFI guidelines. Additionally, the senior leadership team takes active part in various committees of AMFI and SEBI aimed at spreading financial literacy, increasing investor awareness, among others. Also, the Company, through AMFI, has advocated various governance, administration, economic and educational reforms
P8	Inclusive Growth	• Corporate Social Responsibility Policy • ESG Policy
P9	Customer Engagement	• Customer Query & Grievance Redressal Policy • Information Security Policy • ESG Policy • Responsible Investment Policy • Business Continuity Policy • Policy on Enterprise Risk Management • Cyber Security & Cyber Resilience Policy • Social media Policy

*Part of Employee manual

5. Specific commitments, goals and targets set by the entity with defined timelines.

- The Company aspires to be a wealth creator for every Indian while shaping the savings and investment landscape.
- The Company recognises its role in creating a positive impact in the lives of communities by identifying the core focus areas and achieving these through corporate social responsibility activities and investor awareness programmes for improving financial literacy.
- The Company is striving to reduce its environmental impact.
- The Company promotes Diversity, Equity and Inclusion (DE&I) culture at the workplace and at the same time believes in hiring the right talent based on merit.
- The Company believes in up-skilling its human capital for the holistic development of its employees and to align with the changing business environment.

6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met

Spreading Financial Literacy

- The Company conducted over 3,500 Investor Awareness Programs covering more than 2.7 lakh participants, creating awareness on mutual funds.
- Launched 'SIP Saheli' - Investor Education and Awareness initiative to provide structured masterclass on mutual fund investing, specifically to women, over 5.1 lakh individuals have been educated under this initiative.
- 20,000+ Students reached under HDFC MF Planet Aspirations - Unique investor education and awareness initiative designed for children.
- The Company conducts weekly quiz focusing on essential investment and mutual funds concepts, market events and behavioural finance. This quiz engaged over 2 lakh participants, including distribution partners, investors and employees.

Inclusive growth through CSR Initiatives

The Company has contributed towards healthcare, education, environment sustainability and sports development through its CSR activities:

- Over 3,300 cancer patients provided with financial aid for treatment.
- Over 7,600 children given access to quality education & daily nutritious meals.
- Over 12,000 cancer patients & their attendants availed the daily transport service.
- 100 flats furnished for cancer patients undergoing treatment at TATA Memorial Hospital.

Energy & Waste management

- Over 1,100 Kgs of e-waste and 4,700 Kgs of Battery waste were processed in an environmentally friendly manner.
- 94% of transactions are supported by integrated online platform.
- NurtureNature Campaign 4.0 - A lake will be restored for digitally registered SIPs in selected schemes during the campaign period. The Company extended this initiative by organizing lake clean-up drives across 7 cities, gathering more than 4500+ kilograms of waste.
- As part of its CSR Initiatives towards Environmental Sustainability, the company has supported the development and sustentation of over 59,000 sq.ft. of "Biodiversity Park".
- The Company procured sustainable stationery products.
- Deployment of timers for signage boards to save electricity.
- LEED Gold Certified Head Office

Workforce Diversity

- 28% of the Company's permanent work force are women
- ~23% of the leadership team comprise of women
- Differently abled candidates are part of the workforce

Up-skilling

- Over 73,700 employee training hours clocked in FY 2024-25.
- Over 1,500 employees attended the organization-wide session to create awareness on Environmental, Social and Governance (ESG) parameters.
- 10 Ethics workshops were conducted for employees, reinforcing our culture of integrity and ethical conduct.
- More than 700 employees underwent behavioral training sessions covering areas such as Building Great Managers, Client Service to Client Delight, Business Communication Skills and more.
- Conducted 486 training & awareness sessions covering a wide range of topics for our distribution partners.
- NISM workshops: 76 workshops have been conducted in the financial year covering over 3,000 participants.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility & sustainability report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

At HDFC Asset Management Company, we are dedicated to growing responsibly, anchored in our core pillars of People, Planet and Prosperity. We firmly believe that long-term success comes from creating value not only for our investors but also for the communities and environment we serve.

Our sustainability efforts are guided by the ESG & CSR Committee of the Board, which oversees the implementation of our ESG framework. This includes aligning with global best practices, such as being signatory to United Nations - Supported Principles for Responsible Investment (UNPRI), Climate Action 100+ and adherence to the CFA Institute's Asset Manager Code.

During FY25, 94% of our transactions were digital, reflecting our ongoing commitment to operational efficiency and environmental responsibility. On the environmental front, our NurtureNature 4.0 initiative aims to restore a lake for digitally registered SIPs in selected schemes during the campaign period, effectively combining financial discipline with ecological restoration. Additionally, through the SIP Saheli initiative, we continue to empower women with financial knowledge, enabling them to make informed investment decisions.

Our HDFC Cancer Cure Fund, now in its 14th year, has touched lives across the country, thanks to the unwavering support of our investors. We focus on merit-based hiring, while also ensuring an environment that promotes equal opportunity. Women made up 28% of our permanent workforce.

The Company was recognised as a Great Place to Work® for the second consecutive year reaffirming our commitment to nurturing talent and fostering an inclusive, high-performance culture.

While we are proud of the progress we've made, our journey is far from over. With the continued support of all our stakeholders, we remain steadfast in our ESG mission—to create sustainable wealth for every stakeholder by focusing on the three Ps: People, Planet and Prosperity.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)

Name	Mr. Navneet Munot
DIN	05247228
Designation	Managing Director & Chief Executive Officer

9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details

Yes, the ESG and CSR Committee of the Board provides guidance, leadership and necessary oversight for ESG initiatives of the Company.

Name	Designation	DIN	Category
Mr. Deepak Parekh	Chairman	00009078	Non – Executive Director
Mr. Navneet Munot	Member	05247228	Managing Director & Chief Executive Officer
Mr. Sanjay Bhandarkar	Member	01260274	Independent Director
Mr. Parag Shah	Member	00374944	Independent Director

10. Details of Review of NGRBCs by the Company

Subject for Review	Review of Principles Undertaken and their Frequency
Performance against above policies and follow up action	Relevant policies of the Company are reviewed periodically or on a need basis. The necessary changes to policies and procedures are implemented accordingly.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the extant regulations as applicable.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

The processes and compliances are subject to audits and inspections as applicable. The policies are reviewed on a periodical basis by the respective departments and updated accordingly. The updated policies with changes recommended by the management are placed before the Board for its approval, as applicable. An internal assessment of the workings of the policies has been carried out as stated above.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)							Note [1]		
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Notes:

1. The Company may share its expertise to help in the formulation of public policy but it does not directly engage in advocacy activities and hence does not have a specific policy for this purpose. The Company actively engages in investor education programmes for mutual funds in line with AMFI/SEBI guidelines. Further, the Company, through industry bodies, has advocated various governance, administration, economic and educational reforms.

PRINCIPLE 1. Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Environmental, Social, and Governance (ESG) best practices, review of BRSR Core indicators and assurance methodology	100%
Key Managerial Personnel	21	ESG Workshop, Prevention of Sexual Harassment, Cyber Security awareness & BCP, Training/awareness initiatives comprising presentations regarding applicable laws/regulations, roles/ responsibilities, insights of SEBI orders/guidance, internal policies/ codes and sharing periodic refresher materials on do's and don'ts covering policies viz. Polling, Stewardship Code, quiz, Voting Policy, Conflict of Interest Policy, Securities Dealing Code(s), Social Media Policy, Unauthenticated news.	100%
Employees other than BOD and KMPs	78	ESG Workshop, Ethics Training, Prevention of Sexual Harassment, Cyber Security awareness & BCP, Anti Money Laundering, Stewardship training, Training/awareness initiatives comprising presentations, quiz, calls, face to face meetings regarding applicable laws/regulations, roles/responsibilities, insights of SEBI orders/ guidance, internal policies/codes and sharing periodic refresher materials on do's and don'ts covering policies viz. Polling, Stewardship Code, Voting Policy, Conflict of Interest Policy, Securities Dealing Code(s), Social Media Policy, Unauthenticated news.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year,

Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty/ Fine	NIL				
Settlement					
Compounding fee					

Non-Monetary				
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes. Additionally, anti-corruption and anti-bribery guidelines are part of employee manual and code of conduct. The Company is committed to conduct business by following the highest ethical standards. All forms of bribery and corruption are prohibited. The Company conducts its business in adherence to all statutory and regulatory requirements.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 24-25	FY 23-24
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL

6. Details of complaints with regard to conflict of interest:

Particulars	FY 24-25		FY 23-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest.

NIL

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 24-25	FY 23-24
Number of days of accounts payables*	34	39

* Number of days of accounts payable is calculated based on average accounts payable which majorly comprises of unbilled dues.

The disclosure for FY 2023-24 has been restated as per the additional guidance provided by Industry Standards Forum on reporting of BRSR Core as per SEBI circular dated December 20, 2024.

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY 24-25	FY 23-24
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	-	-
	b.	Number of trading houses where purchases are made from	-	-
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a.	Sales to dealers/ distributors as % of total sales	-	-
	b.	Number of dealers / distributors to whom sales are made	-	-
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	**8.41%**	7.88%
	b.	Sales (Sales to related parties / Total Sales)	-	-
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d.	Investments (Investments in related parties / Total Investments made)	**0.41%**	0.47%

The disclosure for FY 2023-24 has been restated as per the additional guidance provided by Industry Standards Forum on reporting of BRSR Core as per SEBI circular dated December 20, 2024.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics/ principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
563	Customer first, spreading financial literacy, other technical & Soft-skills, programs	29,479 participants

2. Does the entity have processes in place to avoid/ manage conflict of interest involving members of the Board/KMPs? (Yes/No) If yes, provide details of the same.

The Company has Conflict of Interest Policy (CoI) policy to avoid conflict of interest involving Board and KMPs. The Company's CoI policy outlines the broad parameters for identifying potential CoI situations. It outlines mitigation steps to manage these situations and aligns with the principles embedded in applicable regulations related to the business activities namely Mutual Fund business, Portfolio Management Services and Alternative Investment Funds business. The policy also integrates established policies, processes and procedures to manage and mitigate conflicts of interest effectively.

Further, pursuant to SEBI Listing Regulations, senior management confirms to the Board of Directors that there were no material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.

The Company has Conflict Resolution Committee (CRC), which includes the Managing Director, Chief Compliance Officer, Company Secretary and the respective Head of Departments based on the subject matter of the Conflict of Interest for managing and dealing with CoI situations within the Company.

The Company has also formulated the policy on related party transactions for providing guidelines in relation to identification of related parties, materiality of Related Party Transaction(s) and on dealing with transactions with related party.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY24-25	FY 23-24	Details of improvements in environmental and social impacts
R&D			Refer note below
Capex			

Note: The Company is primarily into financial services, hence the relevance of the above is largely restricted to capital expenditure towards information technology. Capital expenditure incurred towards IT hardware and software (excluding Right to Use assets) was 52.79% of total capital expenditure investments in FY 24-25 vs 50.06% in FY 23-24. The Company intends to continue identifying and acting on opportunities to reduce its impact on the environment.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

As the Company is in the business of providing a wide range of savings and investment products, consumption of resources is limited to running of operations. The Company follows sustainable sourcing practices wherever feasible, including but not limited to green standard compliant hardware, Environmental Management System ISO 14001:2015 certified data centres, inverter AC's, recycled paper diaries, energy efficient fittings, glass bottles, among others.

2. b. If yes, what percentage of inputs were sourced sustainably?

Refer response to point 2.a.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste

Given the nature of the business, the Company has limited scope on these parameters, however, the Company realises that there is a pressing need to manage waste in an eco-friendly manner. To achieve these objectives, the Company, encourages reuse/recycle wherever possible. The Company collaborates with certified e-waste handlers to dispose e-waste in an environmentally friendly manner. The Company has an arrangement to recycle batteries utilized in UPS systems.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No. The Company does not have any physical products as part of its offerings.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The primary business activity of the Company is asset management. It is a service-oriented business primarily involved in managing the investment of retail and institutional investors across asset classes and servicing their requirements across the life cycle of their journey with the Company.

The investment life cycle is a sequential process ranging from sourcing clients to onboarding them, providing curated investment solutions and hassle-free customer service to the clients during their journey with us. A brief description of the client life cycle is provided below:

Sourcing:

Clients can invest in our schemes either directly or through the distribution partners. They can transact through the physical mode or through our electronic portal. A client can submit his/her physical applications at multiple touch points like our investor service centers, Registrar and Transfer Agent (RTA) i.e. CAMS branches or to the distribution partners. The Company works with a diverse set of distribution partners and currently has over 95000 empaneled distributors which include mutual fund distributors, national distributors, banks, investment advisers and fintech firms. While we continue to source business across channels, the focus is on driving the adoption of digital platforms.

The Company has witnessed significant growth in electronic transactions vis-à-vis physical paper-based transactions. The Company provides end-to-end digital onboarding solutions for investors and its distributors. The Company has enabled its partners with both tools and educational webinars on digital medium and it also runs extensive education series for its partners on how to build digital presence.

Onboarding:

As a first step to beginning transactions with us, clients have to be KYC compliant. Clients have access to multiple options where they can complete their KYC while providing their investment applications. The Company has tied up with KYC Registration Agencies (KRA) to update and access client KYC information which provides a seamless experience for the customer. The Company uses CKYCR, which is a government authorized registry where it can access as well as update customers KYC records. With Aadhaar based e-KYC service, the Company has provided investors with the option to complete KYC online and start investing directly through digital channels.

Transactions:

The Registrar and Transfer Agent (RTA), CAMS, forms the backbone for transaction processing, assisted by an able front office team at the head office/branches. Investment in cutting-edge technology has enabled increased scale and speed in processing transactions and digital fetch tools help in faster authentication of supporting documentation. Transaction bot and WhatsApp have now been added to provide instant access for transactions.

Service:

The Company supports service requests from clients such as change of bank account details, nominee updating, change of tax status etc. both physically as well as electronically throughout the life cycle of the client. We also proactively send reminders to the clients to update contact details, and conform to changing regulatory requirements like FATCA/CRS, PAN Aadhaar linking etc. from time to time.

Grievance Redressal Mechanism:

As part of the Grievance Redressal Policy, the Company has a Complaint Management Platform to record and redress grievances/feedback from customers, which helps in ensuring standard operating procedures and enhanced service standards. The Corporate Client Service (CCS) team oversees and ensures that customer grievances are addressed in a timely manner and that responses sent are appropriate and meets the requirements of customers.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not applicable.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   Not applicable.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format.**

   Not applicable, as we do not offer any physical products.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Not Applicable, as the Company do not offer any physical products.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	Health Insurance		Life/Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities#		Other Benefits*	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	Number (G)	% (G/A)
Permanent Employees													
Male	1,165	1,165	100%	1,165	100%	NA	NA	1165	100%	NA	NA	1,165	100%
Female	453	453	100%	453	100%	453	100%	NA	NA	NA	NA	453	100%
Total	**1,618**	**1,618**	**100%**	**1,618**	**100%**	**453**	**100%**	**1,165**	**100%**	**NA**	**NA**	**1,618**	**100%**
Other than Permanent Employees^													
Male	325	325	100%	325	100%	NA	NA	NA	NA	NA	NA	325	100%
Female	265	265	100%	265	100%	265	100%	NA	NA	NA	NA	265	100%
Total	**590**	**590**	**100%**	**590**	**100%**	**265**	**100%**	**NA**	**NA**	**NA**	**NA**	**590**	**100%**

*Includes health check ups, parent's insurance, fitness programmes amongst other health benefits.

#There are no day-care facilities on our premises. However, we can make necessary provisions for those who require such facilities.

^Wellbeing measures for other than permanent employees are taken care by respective value chain partners

1. b. Details of measures for the well-being of workers:

Not Applicable

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

Particulars	FY 24-25	FY 23-24
Cost incurred on wellbeing measures as a % of total revenue of the company	**0.18%**	0.16%

The disclosure excludes spends relating to other than permanent employees. The wellbeing measures for other than permanent employees are managed by respective value chain partners.

The disclosure for FY 2023-24 has been restated as per the additional guidance provided by Industry Standards Forum on reporting of BRSR Core as per SEBI Circular dated December 20, 2024.

2. Details of retirement benefits for current and previous financial year

Benefits	FY 24-25		FY 23-24	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	**100%**	**Y**	100%	Y
Gratuity	**100%**	**N.A.**	100%	N.A.
ESI	**100%**	**N.A.**	100%	N.A.
NPS*	**100%**	**10%***	100%	9%*

* Availed

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Most of our offices are located in commercial premises which are on the ground floor or have elevators and infrastructure for differently abled persons.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, conspicuously displayed at all business locations in accordance with the provisions of the Act.

5. **Return to work and retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees	
	Return to Work rate in %	Retention rate in %
Male	100%	91%
Female	97%	64%
Total	**98%**	**78%**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes
Other than Permanent Employees	

The Company has always followed an open door policy, wherein any employee irrespective of hierarchy has access to the business heads, HR, Legal & Compliance, senior management or other such members.

The Company has adopted a third-party web-based reporting tool which provides a secure and confidential platform to report genuine concerns and can be accessed by all employees/ Directors/ stakeholders for lodging a complaint or expressing genuine concerns.

In addition to that, a Whistle-Blower Policy has been formulated for employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics Policy.

The Company has zero tolerance for sexual harassment at the workplace and is compliant with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company also has various online training modules and awareness programmes which sensitise its employees on such issues.

The Company is committed to redressing every grievance of its employees in a fair and just manner. The Company provides various channels of grievance redressal and safeguards employees against any form of victimisation.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity.

Category	FY 24-25			FY 23-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	Employees do not have any representative union or association.					
Male						
Female						

8. Details of training given to employees

Category	FY 24-25					FY 23-24				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A		No. (E)*	% (E/ D)	No. (F)	% (F / D
Male	1,165	1,155	99.1%	1,163	99.8%	1,090	1,088	99.8%	1,090	100%
Female	453	444	98.0%	453	100%	419	412	98.3%	417	99.5%
Total	**1,618**	**1,599**	**98.8%**	**1,616**	**99.9%**	**1,509**	**1,500**	**99.4%**	**1,507**	**99.9%**

9. Details of performance and career development reviews of employees

Category	FY 24-25			FY 23-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	**1,165**	**1102**	**94.6%**	1,090	1,044	95.8%
Female	**453**	**437**	**96.5%**	419	396	94.5%
Total	**1,618**	**1,539**	**95.1%**	**1,509**	**1,440**	**95.4%**

Note: All eligible employees have undergone the performance appraisal review process.

Remuneration for employees is as per the Nomination & Remuneration Policy of the Company. The criteria for the evaluation of remuneration for all employees is based on an appraisal process which includes a mid-year review and annual appraisal of performance. The increase in remuneration is factored after compensation benchmarking, individual performance and overall company performance

10. Health and Safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Employee well-being continues to be a priority of the Company and the Company takes several initiatives to promote health and safety of its employees. The Company has tied up with health care service provider which offers 24x7 online medical consultations for employees and their family members. Employees have access to online fitness programs, weight loss programs, guided meditation courses and self-led healthcare practices. The Company facilitates periodic preventive health checkups and wellbeing assessments for its employees. Regular wellness and wellbeing sessions & webinars covering physical, mental and emotional health are conducted.

Overall workplace hygiene and safety related parameters are included as part of audit. Fire safety audits are conducted across all branches periodically. Periodic trainings on fire safety and fire-fighting equipment are provided along with evacuation drills. The Company replaced Biometric access control with Face Reader access at HO.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company conducts regular workplace inspections to mitigate any potential hazards including fire safety audits.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the company has a portal to report work place accidents. An employee can report a work place accident for self or on behalf of another employee anywhere and anytime through this portal. Basis this reporting, the organization has provisions to make available medical, financial or legal assistance to the employee as required. Any identified work-related hazards are actioned upon immediately.

The organization covers all employees through the Group Mediclaim Policy, which is also a source of reporting unforeseen work-related incidents. The organization extends 24x7 online medical consultation facilities for employees. In an extreme case of a fatality occurring due to a work-related hazard, the organization has covered all employees under life and personal accident insurance.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

The Company provides facilities like medical consultations and regular health check-ups. The Company has partnered with a health care service provider, which offers 24x7 online medical consultations, fitness and well-being programmes. Additionally, the Company organises regular health check-up for its employees. The Company also provides its employees with group term life and personal accident cover in addition to medical insurance.

Throughout FY 24-25 multiple health and wellness programmes were conducted, covering a broad range of topics like stress management, yoga, diabetes care, insurance awareness and more.

11. Details of safety related incidents, in the following format:

Safety Incidents/Number	Category	FY 24-25	FY23-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	**0.96**	0
Total recordable work-related injuries	Employees	**3**	0
No. of fatalities	Employees	**0**	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	**0**	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Employee well-being and psychological safety continue to be a priority for the Company. The company has tied up with health care service provider which offers 24x7 online medical consultations for employees and their family members. Employees have access to online fitness programs and weight loss programs. Regular wellness and wellbeing webinars covering physical, mental and emotional health are conducted. The Company also provides its employees with group term life and personal accident cover in addition to medical insurance.

At the time of joining all employees undergo a comprehensive health screening. The organization also organizes regular complimentary health screening for employees.

The company engages the services of housekeeping agencies to ensure the work place is clean and hygienic. In fact, ensuring good hygiene is documented as a part of the role of each Branch Manager. To maintain a safe workplace, the Company has a zero-tolerance policy to any form of harassment. The Company has implemented the following policies and mechanisms to promote a safe workplace:

- Policy on prevention of sexual harassment of women at the workplace (Prevention, Prohibition and Redressal) Act 2013,
- Equal Opportunity Policy framed pursuant to Rights of Persons with Disabilities Act (RPWD)
- Whistle Blower mechanism
- Grievance Redressal mechanism
- Code of Conduct & Ethics for Employees

13. Number of complaints on the following made by employees and workers

Type	FY 24-25			FY 23-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year

Type	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

The Company has entered into preventive periodic maintenance contracts which includes firefighting equipment. The Company has also appointed quality assurance auditors.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of Health & Safety practices and working conditions.

Not Applicable.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes, the Company provides its employees with group term life cover, personal accident cover, future service gratuity in addition to medical insurance. Benefits like provident fund, gratuity, leave encashment etc., are settled on a priority basis. Our terms and conditions of Gratuity are better than those prescribed under the Act. The Company has a policy for mid to junior level staff wherein company extends monetary support to families of deceased employees and employment opportunity to meritorious family members.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has made it a contractual obligation for its value chain partners to fully deliver on their statutory requirements. The Company has also appointed an independent auditor to audit vendors with respect to compliance with all statutory obligations.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 24-25	FY 23-24	FY 24-25	FY 23-24
Employees	-	-	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company has not undertaken any retrenchment of employees owing to business exigencies or employees not having the requisite skills to do the required job. In line with the spirit of applicable law, as and when such step is required to be taken due to business environment or force majeure circumstances, the Company will actively consider undertaking such activities for outgoing employees. The Company believes in hiring well qualified talent on merit and continuously upskills the work force to align with the changing business environment. In light of this, the need for this transition assistance programmes is not envisaged currently.

The Company supports retiring employees by offering access to counselors and psychiatrists. Retiring employees have the option to port the Group Mediclaim policy or continue to avail the benefits of the Group Mediclaim Policy by voluntarily paying the premium. Additionally, they receive assistance in claiming all retirement benefits and are provided with financial planning support to help them invest their retirement funds in the most effective manner.

5. Details on assessment of value chain partners:

Type	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	These parameters are currently not assessed.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company believes healthy stakeholder relationships are key to long-term value creation. Any individual, group or institution that adds value to the Company or who are/ could be impacted are identified as a key stakeholder.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholder	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other*	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	• Website: https://www.hdfcfund.com • Call Center • Mail ID:hello@hdfcfund.com • HDFC MF investor App • WhatsApp • Chat Bot • Satisfaction surveys • HDFC MF Branches • HDFC MF empaneled distributors.	Ongoing and need based	• Product and scheme information • Service queries • Enhanced Reach • Education and awareness programs • Regulatory updates and compliance • New fund launches
Distribution partners	No	• Websites • Call Center • Mail ID: partners@hdfcfund.com mfonlinefeedback@hdfcfund.com • CONNEKT App • HDFC MF partners App • WhatsApp • Chat Bot • Satisfaction surveys • HDFC MF Branches	Ongoing and need based	• Product and scheme information • Enhanced Reach • Service queries • Trainings and awareness programs • Regulatory updates and compliance • New fund launches
Employees	No	• One- on-One meetings • Emails • CEO town halls • Team meetings • Leadership connect • Engagement surveys	Ongoing and need based	• Rewards and recognition • Sense of ownership and alignment to the vision & mission • Training and career development • Health, safety and wellbeing • Organisational developments • Performance appraisal • Awareness initiatives and engagement
Shareholders	No	Quarterly earnings calls, audio recording of earnings call, investor presentation, Annual General Meeting, intimation to stock exchanges, annual/quarterly financials and investor meetings / conferences, press release, annual reports, email, SMS, newspaper, advertisement, notices, website, transcripts etc.	At least quarterly and need based	To stay abreast of developments in the Company, performance of the Company and the sector. Address concerns/grievances
Regulatory Bodies	No	Emails, one-on-one meetings, conference calls, video conferencing, websites	Need based	Discussions with regard to various approvals, circulars, guidelines, suggestions, amendments, etc
AMFI & other industry bodies	No	Emails, physical meetings, conference calls, video conferencing, websites	Ongoing & Need based	Discussions with regard to various guidelines/investor education and reporting
Communities & Implementing Agencies/ NGOs	Yes	Emails, physical meetings, and conference calls	Need based	Monitoring & Implementing the CSR projects and activities

Key Stakeholder	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other*	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Registrar and Transfer Agent	No	Physical meetings, emails and other digital platforms	Ongoing and need based	Ensure smooth operations and seamless client experience
Vendors, Bankers, Custodians and others in value chain	No	Physical meetings, Digital platforms, emails	Ongoing and need based	Product & Service quality and support, contract commercial and technical terms & conditions, custodial services, statutory compliances
Media	No	Newspaper, advertisement, email, annual reports, website, press release and meetings	Need based	To stay abreast on the developments of the Company

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company encourages constant and proactive engagement with its stakeholders to better communicate its strategies and performance. There are various platforms through which the company provides an opportunity for stakeholders to interact with the Board/Management, viz. Annual General Meeting, quarterly earnings conference calls on financials results, designated e-mail ids. The Company has an ESG and Corporate Social Responsibility (CSR) Committee of the Board to oversee matters related to, but not limited to, environmental and social topics.

The Company also has a Stakeholders Relationship and Unit holder Protection Committee (formerly Stakeholders Relationship Committee) of the Board which is broadly responsible for protecting the interests of unit holders of schemes of HDFC Mutual Fund in relation to all products and services offered by the AMC. This committee is responsible for ensuring the adoption of sound and healthy market practices in terms of investments, sales, marketing, advertisement, conflict of interest management, grievance redressal and investor awareness. Additionally, the Committee oversees compliance with laws, regulations and other related processes, specifically concerning the operation of the mutual fund business.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Customer complaints / grievances / suggestions are reviewed for a root cause analysis, which also gives an opportunity to the company to improve its services. The Company has identified key ESG focus areas through materiality assessment exercise, conducted in consultation with internal stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

As an investment manager committed to inclusive financial empowerment, we actively engage with and support vulnerable and marginalised stakeholder groups, with a special focus on bottom-of-the-pyramid customers and underrepresented segments of society.

Our 'SIP Saheli' initiative is a flagship investor education and awareness programme designed specifically to empower women through financial literacy. Conducted in regional languages, these structured masterclasses simplify mutual fund investing and equip women with the knowledge and confidence to make informed financial decisions. Complementing this, our 'Laxmi for Laxmi' programme fosters peer-to-peer learning by enabling women distributors to share investment insights with fellow women, helping bridge the gender gap in financial participation and independence.

We also remain deeply committed to supporting critical health-related causes. The HDFC Cancer Cure Fund series has, over the past 14 years, positively impacted the lives of thousands of cancer patients across India. This initiative continues to be sustained through the generous contributions of our investors, and we are grateful for their ongoing philanthropy and compassion.

To ensure accessibility and tailored support, our call centre services have been enhanced with specialized assistance for senior citizens. These services include priority access, faster turnaround time and proactive support, backed by specialized training and advanced technology solutions.

Furthermore, a significant portion of our Corporate Social Responsibility efforts are directed towards benefiting marginalised and underserved communities. The details of these initiatives are outlined in our Annual Report. For more information, including our CSR policy and list of projects, please visit: https://www.hdfcfund.com/about-us/corporate-profile/csr.

Through these ongoing efforts, we strive to create meaningful impact and foster inclusive growth across all segments of society.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the Company:

Category	FY 24-25			FY 23-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	**1,618**	**1,618**	**100%**	1,509	1,509	100%
Other than Permanent	**590**	**590**	**100%**	541	541	100%
Total Employees	**2,208**	**2,208**	**100%**	**2,050**	**2,050**	**100%**

The Company promotes a culture of fairness and inclusion. It is the policy and practice of the Company to provide equal employment opportunity to all persons. The Company's value system encourages dignity of labour. Its policies and managerial framework ensure that all fundamental and human rights of employees are fully protected.

Policies and processes such as POSH, Whistleblower, Grievance Redressal, Equal Employment Opportunity, Code of Conduct, etc. are in place to safeguard employees' human rights. These policies are clearly defined, communicated electronically and reinforced through regular employee education and training.

2. Details of minimum wages paid to employees and workers:

Category	FY 24-25					FY 23-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	**1,618**	-	-	**1618**	**100%**	1,509	-	-	1,509	100%
Male	**1,165**	-	-	**1,165**	**100%**	1,090	-	-	1,090	100%
Female	**453**	-	-	**453**	**100%**	419	-	-	419	100%
Other than Permanent	**590**	-	-	**590**	**100%**	541	-	-	541	100%
Male	**325**	-	-	**325**	**100%**	285	-	-	285	100%
Female	**265**	-	-	**265**	**100%**	256	-	-	256	100%

3. Details of remuneration/salary/wages

a. Median remuneration/ wages:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	5	54,00,000	2	42,00,000
Key Managerial Personnel^	2	5,34,39,286	1#	1,81,04,176
Employees other than BoD and KMP*	969	11,37,920	370	8,52,670

^Includes MD, CFO and CS

*Includes only employees who have worked for the entire 12-month period

#Represents aggregate salary of KMPs who have worked for part of the financial year. Ms. Sylvia Furtado ceased to be CS of the Company w.e.f close of business hours of July 15, 2024 and Ms. Sonali Chandak was appointed as CS w.e.f July 16, 2024.

Note: - Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly, have not been considered in the above information. Perquisite value of stock options is excluded.

Gaps in median salary between genders is due to different proportion of men & women across experience levels and grades.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 24-25	FY23-24
Gross wages paid to females as % of total wages	21.67%	20.66%

The disclosure for FY 2023-24 has been restated as per the additional guidance provided by Industry Standards Forum on reporting of BRSR Core as per SEBI circular dated December 20, 2024.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, there are various committees responsible for human rights impacts and issues. The Company has zero tolerance for sexual harassment at workplace and is compliant with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has appointed a Nodal Officer who acts as a single point of contact for human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Respect for human rights is a fundamental and core value of the Company. The Company strives to support, protect and promote human rights. The Company has committees & policies to handle grievances and complaints related to human rights issues and the details are placed on the HRMS of the Company. The Company has zero tolerance towards and prohibits all forms of child labour, slavery, forced labour, physical, sexual, psychological or verbal abuse.

6. Number of complaints on the following made by employees and workers:

Particulars	FY 24-25			FY 23-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at Workplace	0	0	-	3	0	-
Child Labour	0	0	-	0	0	-
Forced Labor/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other Human Rights Related Issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY24-25	FY23-24
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is committed to maintaining safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, disability, work, designation and such other parameters. The Company ensures sensitisation to important social factors like diversity and inclusion, workplace practices and prohibition of economic, racial or physical inequalities. The Company strives to support, protect and promote human rights.

The Company has formed committees and policies to handle grievances and complaints related to human rights issues viz Internal Committee under the Sexual Harassment of Women at Workplace, Whistle Blower Policy, etc and the details are placed on the intranet of the Company.

The Company constituted six Internal Committees for different zones in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with women employees being a majority and an external member. The Policy, IC Members' details and the penal consequences of violating the said Act/ Policy are displayed at all offices/ branches and on the HRMS of the Company. Regular employee awareness sessions are conducted to generate awareness about the policy, reporting mechanism and prevention of sexual harassment at the workplace. The Company also has a well-defined Whistle Blower policy which ensures confidentiality and protection from any form of retaliation.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in certain business agreements and contracts where relevant.

10. Assessments for the year

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour/Involuntary Labour	-
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant risk was identified as an outcome of the above-mentioned assessments/audits.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company creates awareness about the Code of Conduct/policies to sensitise its employees. Employees undergo various training programmes and some of the modules are mandatory for the new recruits which cover guidelines on Prevention of Sexual Harassment (POSH), information security, etc.

The Company strives to support, protect and promote human rights to ensure fair and ethical business and employment practices are followed, for instance 6 (six) Internal Committees (IC) for different zones were constituted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, with women employees being a majority and an external member. The Policy, IC Members' details and the penal consequences of violating the said Act/ Policy are displayed at all offices/ branches and on the intranet of the Company. The Company provides various channels of grievance redressal and safeguards employees against any form of victimisation.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Refer response no 8 of essential indicator & 1 of leadership indicator.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of our offices are located in commercial premises which are on the ground floor or have elevators and infrastructure for differently abled persons.

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	These parameters are currently not assessed
Discrimination at Workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Other Human Rights Related Issues	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable in view of point no 4.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 24-25	FY 23-24
From renewable sources		
Total electricity consumption in GJ (A)	-	-
Energy fuel consumption in GJ (B)	-	-
Energy consumption through other sources in GJ (C)	-	-
Total energy consumed from renewable sources in GJ (A+B+C)	-	-
From non – renewable sources		
Total electricity consumption in GJ (D)	14,968	14,209
Total fuel consumption in GJ (E)	6,222	3,651
Energy consumption through other sources in GJ (F)	-	-
Total energy consumed from non – renewable sources in GJ (D+E+F)	21,190	17,860
Total energy consumed in GJ (A+B+C+D+E+F)	21,190	17,860
Energy intensity per rupee of turnover (GJ/ INR in Cr.) (Total energy consumed/ Revenue from operations)	6.06	6.91
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (GJ/ INR in Cr.)# (Total energy consumed / Revenue from operations adjusted for PPP)	125.16	141.20
Energy intensity in terms of physical output (Energy consumed in GJ/employees)	9.60	8.71

#The revenue from operations has been adjusted for PPP based on the PPP conversion factor published by IMF.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Private Limited.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water:

Parameter	FY 24-25	FY 23-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	22,305	20,382
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	22,305	20,382
Total volume of water consumption (in kilolitres)	22,305	20,382
Water intensity per rupee of turnover (KL / INR in crores) (Total water consumption / Revenue from operations)	6.38	7.89
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (KL / INR in crores)# (Total Water Consumption / Revenue from Operations adjusted for PPP)	131.75	161.14
Water intensity in terms of physical output (Water consumed in KL/employees)	43.29	44.04

#The revenue from operations has been adjusted for PPP based on the PPP conversion factor published by IMF.

The Company, being an asset management company, has various offices across the country. The water consumption is predominantly for human consumption. All offices of the Company are operated from leased premises. The Company has water meters in two of its significant leased premises from which data for water withdrawals/consumption is obtained based on the details provided periodically by lessor to the Company. For other offices the withdrawals/consumption has been calculated as per CGWA guideline.

The disclosure for FY 2023-24 has been restated as per the additional guidance provided by Industry Standards Forum on reporting of BRSR Core as per SEBI circular dated December 20, 2024.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Private Limited.

4. Provide the following details related for water discharged:

Parameter	FY 24-25	FY 23-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface Water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	**17,844**	16,306
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Water discharge is considered at 80% of total water withdrawal, following the Central Pollution Control Board (CPCB) database report.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Private Limited.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

As the Company's usage of water is restricted to human consumption purposes only, the Company has not implemented a mechanism for zero liquid discharge. However, the Company has taken various initiatives to consume water judiciously viz STP (Sewage Treatment Plant) at its head office, sensors taps at its head office, where water consumption is high and aerator taps in most of the offices.

6. Please provide details of air emissions (other than GHG emissions) by the entity

Parameter	Please specify unit	FY 2024 – 2025	FY 2023 - 2024
NOx	The Company uses DG sets only during power outages and hence the air emissions of pollutants (other than GHGs) are not material.		
Sox			
Particulate Matter (PM)			
Persistent organic pollutants (POP)			
Volatile Organic Compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 24-25	FY 23-24
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	**441**	267
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	tCO_2e	**3,023**	2,826
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emission/ Revenue from operations)	tCO_2e/INR in Cr.	**0.99**	1.20
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emission/ Revenue from operations adjusted for PPP)^	tCO_2e/INR in Cr.	**20.46**	24.45
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emission /employees)	tCO_2e/Employee	**1.57**	1.51

Breakup of metric tonnes of CO2 equivalent of Scope1 emissions is as mentioned below:

Parameter	Unit	FY 24-25	FY 23-24
CO_2	tCO_2e	**438**	259
CH_4	tCO_2e	**2**	2
N_2O	tCO_2e	**1**	6

Scope 1 emissions have been calculated using the emission factors and GWP published by IPCC and GHG Protcol. Scope 2 emission factor is from the CO_2 Baseline Database for the Indian Power Sector published by the Central Electricity Authority of India (CEA).

^The revenue from operations has been adjusted for PPP based on the PPP conversion factor published by IMF.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company is adopting environmentally sustainable practices by enhancing its digital infrastructure to facilitate electronic transactions, eliminating paper-based reports and forms wherever feasible, promoting recycling and waste reduction across all its premises among other initiatives. Kindly refer to initiatives mentioned in point no. 4 under leadership indicators of this principle.

9. Provide details related to waste management by the entity

Parameter	FY 24-25	FY 23-24
Total waste generated & safely disposed (in metric tonnes)		
Plastic waste (A)	-	-
E – Waste (B)	1.10	1.97
Bio – Medical Waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery Waste (E)	4.76	*
Radioactive Waste (F)	-	-
Other Hazardous Waste. Please specify, if any (G)	-	-
Other Non - Hazardous waste. Please specify, if any. (H) (Break up by composition i.e. by material relevant to the sector)	-	-
Total (A+B+C+D+E+F+G+H)	**5.86**	**1.97**
Waste intensity per rupee of turnover (metric tonnes / INR in crores) (Total waste generated / Revenue from Operations)	0.0017	0.0008
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (metric tonnes / INR in crores) (Total waste generated / Revenue from Operations adjusted for PPP)#	0.035	0.016
Waste Intensity in terms of physical output (Waste generated in MT/ employees)	0.003	0.001
For each category of waste generated, total waste recovered through recycling, re – using or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	5.72	1.97
(ii) Reused	-	-
(iii) Other recovery operations	-	-
Total	**5.72**	**1.97**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
(i) Incineration	0.10	-
(ii) Landfilling	0.05	-
(iii) Other disposal operations	-	-
Total	**0.15**	**-**

#The revenue from operations has been adjusted for PPP based on the PPP conversion factor published by IMF.

*From FY 24-25 onwards, battery waste is being reported separately. Battery waste is recycled through vendors.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Private Limited.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company does not use hazardous and toxic chemicals in its products and processes. However, the Company realises that there is a pressing need to manage waste in an eco-friendly manner and accordingly the Company collaborates with certified e-waste handlers to dispose e-waste in an environmentally friendly manner. The Company also has an arrangement to recycle batteries utilized in UPS systems.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required.

Sr No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
The Company does not have any offices in ecologically sensitive areas			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project.	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

Not applicable

2. Please provide details of total Scope 3 emissions and its intensity.

Parameter	Unit	FY 24-25	FY 23-24
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	**9,025**	7,776
Total Scope 3 emissions per rupee of turnover (Revenue from operations)	tCO_2e / INR in crores	**2.58**	3.01

The reported Scope 3 emissions encompass the following GHG Protocol categories:

For Category 1 (Purchased Goods and Services) and Category 2 (Capital Goods), emissions were estimated using the EEIO (Environmentally Extended Input–Output) database, adjusted with appropriate inflation indices to reflect current-year values. This approach ensures a robust, spend-based allocation aligned with economic sector emission intensities.

For Category 3 (Fuel- and Energy-Related Activities Not Included in Scope 1 or 2), emission factors from DEFRA 2024 were applied, and a Transmission & Distribution (T&D) loss factor of 19.27% was incorporated to capture upstream electricity-related emissions accurately.

For Category 5 (Waste Generated in Operations), the emission factors applied are based on the DEFRA 2024 emission factor database.

For Categories 6 (Business Travel) and 7 (Employee Commuting), a distance-based calculation method was employed using emission factors sourced from DEFRA 2024 and the India GHG Program, wherever applicable.

To enhance sectoral accuracy and alignment with industry best practices, the Company has transitioned from EXIOBASE to the US EEIO database for estimating emissions under Scope 3 Category 1 (Purchased Goods and Services) and Category 2 (Capital Goods). This shift enables more precise mapping of HDFC AMC's spend categories to corresponding emission intensities, offering greater granularity and relevance for financial services and associated professional services sectors. As a result, previous year emissions for these categories have been revised to maintain consistency and comparability with the updated methodology.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

The Company is into service-oriented business primarily involved in the flow of information and financial transactions and hence the Company's carbon footprint is limited to the use of consumables, such as paper, plastic, office equipment, water and energy. The Company has taken some initiatives as described below in view of the same.

Sr No.	Initiative undertaken	Details of the initiative (Web link, if any, may be provided along-with summary)	Outcome of the initiative
1	E-waste	E-waste processed in an eco-friendly manner	1,100+ kgs of e-waste was processed in an eco-friendly manner
2.	Battery Waste	Recycled batteries utilized in UPS system	4,600+ kgs of battery waste was processed in an environment friendly manner
3.	New applications on cloud unless needed on prem	The Company continues to build and use new applications on our cloud which is energy efficient.	Faster deployment of applications and enhanced performance and efficient use of infrastructure. The applications are powered on as per need. The service provider data center also uses electricity sourced from green energy providers thereby reducing the carbon footprint
4.	Nurture Nature 4.0	Under this initiative, each digitally registered SIP in selected schemes during the campaign period will contribute towards the restoration of a lake	Water conservation through revival of a lake
5.	Robust digital environment	The Company has consistently invested in technology and built a robust digital environment in the organization	94% of transactions were executed digitally in FY 24-25
6.	Timers for signage boards	Deployment of timers for signage boards	Less Power Consumption
7.	Bio-diversity park	As part of our CSR Initiatives towards Environmental Sustainability, the company supported the development & sustentation of "Biodiversity Park"	Environmental sustainability

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has devised a disaster recovery and business continuity plan with strategies like utilising branches as alternate sites, remote working and IT disaster recovery site, which are tested on a regular basis.

With our ISO 22301:2019 certified Business Continuity Management System, we prioritise minimising service disruptions and business during any unforeseen adverse events or circumstances. The Programme is designed in accordance with the guidelines issued by regulatory bodies. Further our programme undergoes regular internal, external and regulatory reviews. Oversight over programme is provided by the Information Technology and Security Committee. In addition, employees periodically undergo mandatory business continuity awareness training and sensitisation exercises.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not applicable.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not applicable.

8. How many Green Credits have been generated or procured by the listed entity?

Nil

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is member of five trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

Sr.no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Association of Mutual Funds in India (AMFI)	National
2	Bombay Chamber of Commerce and Industry	State
3	Association of Portfolio Managers in India ("APMI")	National
4	Indian Venture and Alternate Capital Association (IVCA)	National
5	United Nations-Supported Principles for Responsible Investment (UNPRI)	International

In addition to the above, the Company is signatory to Climate Action 100+ and has also adopted the globally recognized CFA Institute Asset Manager Code.

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No material instances reported		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr.no	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly /Others–please specify)	Web link, if available
1	The Company is the member of Association of Mutual Fund of India ("AMFI"). AMFI is dedicated to developing the Indian mutual fund industry by protecting the interest of investors/ unitholders, creating awareness about mutual funds, recommending and promoting best business practices and code of conduct, etc.	Senior leadership team actively participates in several important committees of AMFI, covering areas like ARN, ETF, Operations and Compliance, Risk, Equity, Valuation, and Technology. Their involvement extends beyond these areas to include initiatives such as promoting financial literacy and enhancing investor awareness. Additionally, the Company has been a strong advocate for governance, administration, economic, and educational reforms through its association with AMFI.	Yes	Ongoing & Need based	https://www.amfiindia.com/
2	The Company is the member of Association of Portfolio Managers in India APMI. ("APMI"). APMI strives to protect and promote the interests of the portfolio management industry and its investors, to define and maintain high professional and ethical standards, etc.	Senior leadership team of the Company takes active part in various forums.	Yes	Ongoing and Need based	https://www.apmiindia.org/

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable*					

*Social Impact Assessments (SIA) w.r.t. Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Sr. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community

The Company is a responsible corporate citizen and has grievance redressal mechanisms in place to redress grievances from stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY 24-25	FY 23-24
Directly sourced from MSMEs/ small producers	**15.15%**	17.43%
Directly from within India	**99.55%**	98.21%

The disclosure for FY 2023-24 has been restated as per the additional guidance provided by Industry Standards Forum on reporting of BRSR Core as per SEBI Circular dated December 20, 2024.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 24-25	FY 23-24
Rural	**0.07%**	0.07%
Semi urban	**2.31%**	1.74%
Urban	**17.37%**	15.96%
Metropolitan	**80.25%**	82.22%

The disclosure for FY 2023-24 has been restated as per the additional guidance provided by Industry Standards Forum on reporting of BRSR Core as per SEBI circular dated December 20, 2024.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

Details of negative social impact identified	Corrective action taken
Not applicable in view of Question 1 of Essential Indicators	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

S. No	State	Aspirational District	Amount spent (In INR)
1	Madhya Pradesh	Khandwa	1,49,71,928

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Given the nature of the business, purchases from suppliers under the above-mentioned groups are limited. During FY 2024-25, the Company procured notebooks made of recycled paper from Akanksha Foundation, which is non-profit organization in India, which works with children from low-income communities and laptop bags from the Society for Vocational Rehabilitation of the Retarded.

(b) From which marginalised /vulnerable groups do you procure?

1. Akanksha Foundation
2. Society for the Vocational Rehabilitation of the Retarded (SVRR)

(c) What percentage of total procurement (by value) does it constitute?

The Company actively works with and encourages small and medium scale enterprises (MSMEs).

For % of materials sourced from MSMEs/small producers, please refer to answer of Q4 - Principle 8, Essential Indicator.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Sr.no	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	**CSR Projects for Healthcare** • Indian Cancer Society - Cancer Support – Cancer Cure Fund & Arun Kurkure Initiation & Treatment Fund – Cancer Support • Deepsikha - Cancer Support • Rotary Club of Bombay - Dharamshala Project- Cancer Support • St Jude India Child Care Centres	Cancer Patients & attendants – **18,453**	100%
2	**CSR Projects for Education** • Parivaar Seva Kutirs in Madhya Pradesh – Overall development & nutrition • Snehalaya- Snehbalgruh Project • Catalysts for Social Action- Empowering Community Care Institutions (CCIs) for Vulnerable Children & Youth	Youth, Children and Students – **7,816**	100%
3	**CSR Projects for Sports** Olympic Gold Quest – Training, Coaching, Equipment and Sports Science	Athletes - **98** Para Athletes - **23**	-
4	**CSR Projects for Skilling** Prime Minister's Internship Scheme (PMIS)	Interns-**3**	-

In addition to the above CSR projects, HDFC AMC as part of its CSR Initiatives has supported the following CSR Projects/ CSR Partners:

- Urban Forest Project towards environmental sustainability by aiding the sustentation of "Biodiversity Park" created using the Akira Miyawaki technique and rejuvenation of waterbody. The project spreads over a 59,000 sq. ft area of the Kalina Campus of the University of Mumbai.
- Udhavum Ullangal Charitable Trust towards construction of the Cancer Care Hospital at Chennai in Tamil Nadu.
- King George V Memorial Trust towards purchase of the ambulance for palliative care center at Mumbai.
- Ashoka University for IT infrastructure development at the university campus, Haryana
- Bombay Scottish Orphanage Society towards conservation and restoration of the heritage block of the Mahim School.
- Akshaya Patra foundation towards eradication of malnutrition by supporting the procurement of Vehicles for the Mid-Day Meal Program for school children in Varanasi & Delhi.

Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

At HDFC AMC, providing excellent service has been the cornerstone of customer centricity. The Company always endeavors to raise those standards that truly reflect the brand. In a world where customers are increasingly better informed, it is imperative that company's frontline service support is agile, well-trained and customer centric. The Company relentlessly educates its staff on these objectives.

Mechanism to receive the Consumer complaints and feedback

As part of our endeavor in offering the very best of products and ensuring high service standards, we believe that our customers should be able to seamlessly contact us to offer their comments on our products/services and also to air their grievances. The Company has put in place a Customer Query & Grievance Redressal Policy and set up processes and technology supported infrastructure to support this function. As part of the policy, the management continuously reviews the grievances to systemically strengthen its processes leading to progressive reduction in complaints. The following are the various avenues for the customer to contact/write to us, depending on their convenience.

E-mail:

Investors can email us at our corporate email id - hello@hdfcfund.com for any queries, complaints or feedback they have. They can also post their grievances/feedback/queries/complaints on the 'Write to Us' link available on the website (https://www.hdfcfund.com/contact-us/get-in-touch). Alternatively, they can also write to the RTA CAMS on enq_h@camsonline.com.

Call centre:

Investors can call us from 9.00 am to 6.00 pm (Monday to Friday) and 9.00 am to 1.00 pm (Saturday) on the toll-free numbers 1800 3010 6767/ 1800 419 7676. Investors calling from abroad can call us on 91 44 33462406.

SMS:

Investor can SMS 'HDFCMF' to 56767.

Escalation:

The Company has a well-defined escalation matrix. Investors can choose to route their query through these escalation levels should they feel that they have not received a satisfactory response at the initial stage.

Following matrix (Link) is available for investor to raise grievances

https://www.hdfcfund.com/information/grievances-redressal-mechanism

Customer Satisfaction Surveys:

As a part of feedback mechanism, company conducts satisfaction survey for customers to understand the feedback on processes, services rendered & various touch points.

Mechanism to respond to consumer complaints:

All queries and complaints received across various touch points are processed through the central Customer Relationship Management application which has a rule-based allotment logic for disseminating the same amongst our branches and central staff who will provide the final response to the customers. There are defined service levels assigned for each type of complaint.

The Company regularly undertakes Root Cause Analysis of the top complaint types with the help of the service team at branches who are supported by the Corporate Client Services (CCS) team at the corporate office. Regional Service Managers (RSMs), who focus on service delivery across various regional offices, conduct periodic visits to branches and engage with the staff and augment support to the branches, besides seeking feedback. The CCS team engages with these RSMs to work on the feedback and also trains them routinely. Service delivery and quality assessment are measured, using multiple parameters like turnaround time, repeat complaints, escalations etc. which are evaluated on a periodic basis to improve and provide seamless delivery.

The Compliance team also oversees redressal of customer grievances.

The Company has put in place a Stakeholders Relationship and Unitholder Protection Committee (SR&UHPC) which reviews the activities carried out by the Investor Service Centers (ISCs) / branches of the Company and their adherence to service standards, reviews the steps taken by the Company to redress the grievances of the investors and the cases, if any, pending before the Courts/ Forums/ Regulatory Authorities against the Company etc.

It is important that all stakeholders who work towards enhancing customer experience should work in tandem. The RTA, CAMS, forms the backbone of service delivery chain. The Company works closely with CAMS to ensure smooth operations and seamless client experience.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Particulars	FY 24-25			FY 23-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	2,042	9	-	1,858	6	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues

Particulars	Number	Reasons for recalls
Voluntary recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has Board approved Information Security Policy, Cyber Security & Cyber Resilience Policy, Cyber Crisis Management Plan, Information Security and Cyber Risk Management Framework and Business Continuity Policy. Given the rapid technological and digital advancement, cyber risks are inevitable. The Company has a strong Information Security and Cyber Risk Management framework wherein cyber risk and its mitigation are monitored by the Information Technology & Security Committee and Risk Management Committee.

Key areas covered under the cyber risk management include strong adherence to the Board approved Information and Cyber Security policies, compliance with SEBI guidelines and ISO 27001 standards to ensure that the Company is in line with industry best practices. The Company maintains a robust cyber security architecture and has in place a cyber-resilience framework to protect the integrity of data and guard against breaches of privacy. The Company also trains employees on cyber security.

The Company ensures that cyber security controls and practices are embedded into the business process and it follows concept of 'Security by Design'. Enhanced cyber security practices and effective governance have resulted in matured cyber security frameworks. IT assets are reviewed and audited regularly by independent agencies. Systems are subject to intense scrutiny and validations in the systems audit. Proactive measures are taken to ensure that they are adequately protected against external threats.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NIL

7. Information relating to data breaches:

a. Number of instances of data breaches

b. Percentage of data breaches involving personally identifiable information of customers

c. Impact, if any, of the data breaches

NIL

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)**

   The information on products & services of the Company is available through various touchpoints as follows:

   - Website: www.hdfcfund.com
   - Company WhatsApp transaction number. 8270682706
   - Company's Mobile applications- HDFC MF Online – Investors, and HDFC MF Online – Partners
   - All leading Fintech Platforms
   - Distributors / RIA
   - MF Central: www.mfcentral.com
   - Call centre @ 1800 3010 6767 / 1800 419 7676
   - HDFC Mutual Fund Branches
   - CAMS Service Centres
   - CAMS investor portal: mycams.camsonline.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company complies with all disclosure requirements relating to its products and services, as per AMFI/SEBI guidelines on product labelling within risk and disclosure categories. The Company on a monthly basis provides disclosure of Riskometers' which covers scheme-wise risks and is available on Company's Website. Additionally, the Riskometer is also updated as and when it is warranted by the scheme. An addendum is issued in this case. The Company also has product literatures which has riskometer for various product schemes.

   For the safety of customer, the Company sends communication to educate and advise customers on guarding themselves against financial frauds. The Company has prepared Investor Charter which includes rights and responsibilities of investors, investor grievance redressal mechanism and do's and don'ts for investing in mutual funds, Alternative Investment Funds and availing services of the Portfolio Managers in line with SEBI guidelines and is prominently displayed on the website of the Company.

   As part of the Go Green initiative in Mutual Funds, and providing information to investors in a cost effective yet transparent manner, following steps have been implemented.

   - The Company does not encourage printing of physical account statements at branches and instead request clients / distributors to opt for statements through electronic mode.
   - Customers are able to raise and process most of their service requests electronically with the confirmations also being sent to them electronically.
   - Latest NAVs of all schemes have been prominently disclosed under a separate head on our website and is also provided through SMS & call centre upon request.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The Company has devised a robust Disaster Recovery (DR) and Business Continuity Plan (BCP) which covers operations of the AMC. Communications on any disruption/ discontinuation of essential services, albeit rare, are intimated to customers through the Company's website and in case of any disruption of services either planned or unplanned related to digital platforms (Website, mobile app etc.) the company informs the customers with reason for unavailability through alternate channels.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   The Company has always believed in being transparent with its customers by providing all the relevant details. Product communication is done through SMS, mails and other platforms. The Company also displays the following documents on its website including its social media and digital platforms.

   - Fact sheet
   - Scheme performance
   - Product literature

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, the Company conducts surveys to gather customer feedback through the Customer Satisfaction (CSAT) survey. These surveys are conducted separately for both financial and non-financial transactions. Our goal is to capture customer feedback on various processes, their transaction experiences, interactions with different touchpoints, and suggestions for improvement. Based on the feedback received, a dedicated team works on actionable areas and implements improvements. The management reviews these efforts periodically.

Independent Assurance Statement

To,
The Board of Directors,
HDFC Asset Management Company Limited ,
HDFC House, 2nd Floor, H.T. Parekh Marg,
165-166, Backbay Reclamation,
Churchgate, Mumbai 400020

Independent Assurance Statement on Business Responsibility and Sustainability Report (BRSR) Core of HDFC Asset Management Company Limited (the 'Company') for the period April 01, 2024, to March 31, 2025.

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by HDFC Asset Management Company Limited (the 'Company') to conduct an independent assurance of the Company's BRSR Core attributes pertaining to the reporting period of April 1, 2024, to March 31, 2025. SGS India has conducted a Reasonable level of Assurance for BRSR core attributes. This assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all HDFC Asset Management Company Limited's Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material information included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance w.r.t. BRSR core indicators under 9 ESG Attributes. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historic financial information, and ISAE 3410 - Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Standards Board.

Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000 (Revised). It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm its independence from HDFC Asset Management Company Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Core Indicators (KPIs) within the report for the period April 1, 2024, to March 31, 2025. The reporting scope and boundaries include HDFC Asset Management Company Limited and its regional offices spread across Central, North, East, West and South in the different states of India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core KPIs, and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusion".
- SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company.
- The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.
- SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

Findings and Conclusions

BRSR Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report, on the BRSR Core Indicators (as listed below) is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared based on the BRSR reporting guidelines prescribed by Securities and Exchange Board of India (SEBI).

The list of BRSR Core Indicators that were verified within this assurance engagement is given below:

S.No.	BRSR Core Attributes	BRSR Core Indicators
1	Greenhouse gas (GHG) footprint	• Total Scope 1 emissions • Total Scope 2 emissions • GHG Emission Intensity (Scope 1 +2)
2	Water footprint	• Total water withdrawn • Total water consumption • Water consumption intensity • Water Discharge by destination and levels of Treatment
3	Energy footprint	• Total energy consumed • % of energy consumed from renewable sources • Energy intensity
4	Embracing circularity	• Plastic waste • E-waste • Bio-Medical Waste • Construction and Demolition waste • Battery waste • Other hazardous waste • Other non-hazardous waste • Total waste generated • Waste intensity • Total waste recovered through recycling, re-using or other recovery operations • Total waste disposed by nature of disposal method
5	Employee well-being and safety	• Spending on measures towards well-being of employees as a % of total revenue from operations of the Company • Details of safety related incidents for employees
6	Enabling gender diversity in business	• Gross wages paid to females as % of total wages paid • Complaints on POSH
7	Enabling inclusive development	• Input material sourced from MSMEs/ small producers as % of total purchases directly sourced from MSMEs/ small producers and directly from within India • Job creation in smaller towns - Wages paid to persons employed in smaller towns as % of total wage cost
8	Fairness in engaging with customers and suppliers	• Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events • Number of days of accounts payable
9	Open-ness of business	• Concentration of purchases & sales done with trading houses, dealers, and related parties • Loans and advances & investments with related parties

For and on behalf of SGS India Private Limited

Ashwini K. Mavinkurve,
Technical reviewer
Head-ESG & Sustainbility Services, SGS India
Pune, India

Blessy Sen
Lead Verifier - ESG & Sustainbility Services, SGS India
Pune, India

Corporate Governance Report

Philosophy on the Code of Governance

At HDFC AMC, corporate governance is not merely a framework of compliance – it is the moral architecture of our institution and the foundation upon which we build trust, excellence and long-term value. It transcends statutory compliance, reflecting our unwavering commitment to ethics, transparency and accountability. These principles are embedded into the fabric of our culture, shaping decisions that are both responsible and forward-looking.

As we navigate the dynamic landscape of asset management business, we remain firmly anchored to our core principles and view ourselves as stewards of stakeholder confidence, with a strong sense of duty to act in their best interests.

Guided by our vision to become the *"most respected asset manager in the world"* and a mission to be the *"wealth creator for every Indian"*, we embedded ethics and governance into every aspect of our strategy, culture and conduct and integrated Environmental, Social, & Governance (ESG) principles into our operating ethos.

We believe sustainable growth is not a parallel goal, but a core responsibility. Through disciplined governance and purpose-driven leadership, we strive to build a legacy defined by integrity, impact and inclusive prosperity.

Our Board of Directors play a pivotal role in this journey. They ensure our actions reflect sound strategic judgement, regulatory adherence and ethical conviction. Every plan, policy and oversight are reviewed not just for compliance, but for its contribution to long-term value and trust.

Through this enduring commitment, we continue to build a company where *trust is nurtured, performance is principled & the progress is shared.*

Board of Directors

The Company's Board is diverse with a mixed blend of expertise, professional and experience. It comprises nine (9) members as on March 31, 2025, of which eight (8) are Non-Executive Directors including the Chairman and one Executive Director i.e., the Managing Director & Chief Executive Officer (CEO). Of the eight (8) Non-Executive Directors, five (5) are Independent Directors. None of the Directors of your Company are related to each other or are debarred from holding the office of director by Securities and Exchange Board of India (SEBI) or any other authority. They have also confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations. The composition of the Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013 ("the Act").

For a brief profile of the Board members, refer to page 36 of this Annual Report.

Directorship and membership on the board/board committees of other public companies:

Name of Director	Category	As on March 31, 2025				
		Number of Directorships*	Number of committees#		Listed Entities	
			Member	Chairman	Name of the Company	Nature of Directorship
Mr. Deepak S. Parekh	Non-Executive Non -Independent Director and Chairman	4	2	1	Siemens Limited	Non – Executive Non-Independent Director (Chairman)
Mr. V Srinivasa Rangan	Non-Executive Non -Independent Director (Nominee of HDFC Bank Limited, Promoter of the Company)	2	3	-	HDFC Bank Limited	Executive Director
Ms. Renu Sud Karnad	Non-Executive Non - Independent Director	6	7	2	1. HDFC Bank Limited	Non-Executive Non-Independent Director
					2. GlaxoSmithKline Pharmaceuticals Limited	Non-Executive Non - Independent Director (Chairperson)
					3. EIH Limited	Non-Executive - Independent Director

Name of Director	Category	As on March 31, 2025				
		Number of Directorships*	Number of committees#		Listed Entities	
			Member	Chairman	Name of the Company	Nature of Directorship
Mr. Dhruv Kaji	Non-Executive Independent Director	1	1	-	Ceinsys Tech Limited	Non-Executive - Independent Director
Mr. Jairaj Purandare	Non-Executive Independent Director	3	5	4	1. Piramal Pharma Limited	Non-Executive - Independent Director
					2. Indegene Limited	Non-Executive - Independent Director
					3. CIE Automotive India Limited	Non-Executive - Independent Director
Mr. Sanjay Bhandarkar	Non-Executive Independent Director	5	5	3	1. The Tata Power Company Limited	Non-Executive - Independent Director
					2. Chemplast Sanmar Limited	Non-Executive - Independent Director
					3. Tata Consultancy Services Limited	Non-Executive - Independent Director
Mr. Parag Shah	Non-Executive Independent Director	5	3	-	1. Lumax Auto Technologies Limited	Non-Executive - Independent Director
					2. Thermax Limited	Non-Executive - Independent Director
Ms. Roshni Nadar Malhotra	Non-Executive Independent Director	1	1	-	HCL Technologies Limited	Non-Executive Non-Independent Director (Chairperson)
Mr. Navneet Munot	Executive Director - Managing Director & Chief Executive Officer ("CEO")	1	-	-	-	-

*Excludes directorship in Private Limited Companies, Foreign Companies and Section 8 Companies. Also excludes directorship in the Company.

#Membership and Chairmanship in Audit Committee and Stakeholders Relationship Committee in all public limited companies (whether listed or not) have been considered. Also, excludes Chairmanship and Membership in the Company.

Skills/Expertise/Competence of the Board of Directors

The Board identified, inter alia, the following core skills/expertise/competencies to ensure the Board's effective composition to discharge its responsibilities and duties required to govern your Company and also be compliant with the applicable regulations.

Name of the Director	Qualification	Field of specialisation
Mr. Deepak S. Parekh	Fellow of the Institute of Chartered Accountants (England and Wales)	- International Expertise/Strategic Planning - Risk Management Expertise - Financial Expertise - Marketing Expertise - Operational Expertise - Industry Expertise - Regulatory Expertise - Mergers and Acquisitions
Ms. Renu Sud Karnad	Master's degree in Economics from University of Delhi; Bachelor's degree in Law from the University of Mumbai; Parvin Fellow – Woodrow Wilson School of International Affairs, Princeton University, USA	- Risk Management Expertise - Financial Expertise - Legal Expertise - Industry Expertise
Mr. V Srinivasa Rangan	Bachelor's degree in Commerce from University of Delhi; Associate of the Institute of Chartered Accountants of India; Graduate member of the Institute of Cost Accountants of India	- Risk Management Expertise - Financial Expertise - Legal Expertise - Regulatory Expertise - Strategic Planning
Mr. Dhruv Kaji	Bachelor's degree in Commerce (University of Mumbai); Associate Member of the Institute of Chartered Accountants of India	- International Expertise/ Strategic Planning - Financial Expertise - Operational Expertise - Mergers and Acquisitions

Name of the Director	Qualification	Field of specialisation
Mr. Jairaj Purandare	B.Sc. (Hons), University of Mumbai; Fellow Member of the Institute of Chartered Accountants of India ; completed the YPO Presidents Program from Harvard Business School	- International Expertise/ Strategic Planning - Financial Expertise - Operational Expertise - Industry Expertise - Regulatory Expertise
Mr. Sanjay Bhandarkar	B. Com., University of Pune; MBA, XLRI Jamshedpur	- Technology/Digital Media Expertise - Risk Management Expertise - Financial Expertise - Regulatory Expertise
Mr. Parag Shah	Bachelor's degree in Science (Computer Engineering) from the Illinois Institute of Technology with special electives in Psychology and Manufacturing Technology; graduate of the General Management Program of the Harvard Business School	- International Expertise/ Strategic Planning - Technology/Digital Media Expertise - Financial Expertise - Industry Expertise - Mergers and Acquisitions
Ms. Roshni Nadar Malhotra	Undergraduate degree in Communications from Northwestern University; MBA from the Kellogg School of Management	- International Expertise/ Strategic Planning - Financial Expertise - Marketing Expertise
Mr. Navneet Munot	Master's degree in Accountancy and Business Statistics; Chartered Accountant; Charter holder of the CFA Institute and the CAIA Institute; Completed the Financial Risk Management (FRM) programme from the Global Association of Risk Professionals.	- International Expertise/Strategic Planning - Risk Management Expertise - Financial Expertise - Marketing Expertise - Legal Expertise - Operational Expertise

Responsibilities

Your Company has a well-defined framework that enables the Board to provide strategic direction and effective oversight of the Management. The Board also ensures that your Company's existing corporate governance practices are enhanced by incorporating values of fair business practices, transparency for promoting a culture of corporate and social responsibility. To focus on crucial issues, various Committees are constituted under the supervision of the Board with specific delegated responsibilities.

The Board believes that the corporate governance practices adopted by your Company empowers the executive to effectively manage the Company's affairs. The decision-making powers entrusted to the executive management with proper oversight and guidance by the Board enables the Company to achieve its vision, stakeholder aspirations and societal expectations. Codes and policies mandated as per the applicable laws have been implemented in spirit and letter by the Company.

Independent Directors

Independent Directors are appointed / re-appointed based on the recommendation of the Nomination & Remuneration Committee (NRC) and approval of the Board. As required under the Listing Regulations, for every appointment of Independent Director, the NRC evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, the NRC identifies the candidate for appointment as an Independent Director. Re-appointments are made based on evaluation of their contributions.

All the Independent Directors have confirmed that they meet the criteria as mentioned under Listing Regulations and Section 149 of the Act. The maximum tenure of Independent Directors is in accordance with the Act and other applicable Regulations.

Based on the declarations received from the Independent Directors, the Board is of the opinion that, all the Independent Directors fulfil the conditions specified in the Act, Listing Regulations and are independent of the Management.

Meeting of Independent Directors

Independent Directors are mandated to hold at least one meeting in a financial year, where Non-Independent Directors are not present. In such meetings, the Independent Directors review the performance of Non-Independent Directors and the Board as a whole; the Chairman of the Company taking into account the views of Executive/Non-Executive Directors; and assess the quality, quantity and timely flow of information between your Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During FY 2024-25, the Independent Directors met once on March 7, 2025.

Familiarisation Programme

As part of the Familiarisation Programme, the Directors of the Company are updated on regular basis with changes in the Mutual Fund/AIF/PMS/IFSCA industry, regulatory developments and different business practices adopted

in the industry. During the year, various programmes were conducted which included the updates on introduction of MFLite regulations for AMCs, Specialised Investment Funds (SIFs) to bridge the gap between traditional mutual funds and PMS, inclusion of Mutual Fund units in the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), relaxed skin-in-the-game provisions for Designated Employees, introduction of institutional mechanism to deter market abuse including front-running, amendments in PIT Regulations regulations for broadening the definition of connected persons and inclusion of new events under definition of Unpublished Price Sensitive Information, Industry Standards issued by Industry Standard Forum on Related Party Transactions and Regulation 30 of Listing Regulations. During the year, a session was arranged for Directors on Environmental, Social, and Governance (ESG) to understand the existing processes of the Company related to the Business Responsibility and Sustainability Report (BRSR). This included the preparation of BRSR Core SOPs, conducting qualitative and quantitative reviews of the information in the BRSR report, benchmarking best practices, understanding how the assurance provider undertook assurance of the BRSR core attributes for FY 2023-24, and detailing the Key Performance Indicators (KPI) / metrics under the nine ESG attributes. Further, during the year the Company had also organized sessions for the Directors on Cyber Security Awareness and Harnessing Artificial Intelligence for a Secured Digital Future. These sessions were designed to enhance understanding of cyber security, cyber resilience and system hygiene practices, AI-related threats, and how the same can be effectively navigated.

An overview of the familiarisation programme during the year is available on your Company's website at https://www.hdfcfund.com/about-us/corporate-governance/code-policy.

Particulars of Senior Management Personnel as on March 31, 2025 (including the changes therein):

Details of Senior Management Personnel ("SMP") (including changes therein) as on March 31, 2025 as defined under Regulation 16(1)(d) of Listing Regulations are as follows:

Sr. No.	Name of SMP(s)	Designation	Changes during the year
1.	Mr. Alok Sheopurkar	Head – Human Resources	-
2.	Mr. V Suresh Babu	Head – Operations	-
3.	Mr. Simal Kanuga	Head – PMS Sales, New Initiatives, Product Development and International Business and Chief Investor Relations Officer	-
4.	Ms. Supriya Sapre	Chief Compliance Officer	-
5.	Mr. Sameer Seksaria	Head - Corporate Client Services	-
6.	Mr. Naozad Sirwalla	Chief Financial Officer	-
7.	Mr. Shobhit Mehrotra	Head – Fixed Income	-
8.	Mr. Chirag Setalvad	Head – Equities	-
9.	Dr. Leena Vijayvargiy	Chief Risk Officer	-
10.	Mr. Krantikumar Sherkhane	Chief Information Security Officer (CISO)	Mr. Sherkhane has become SMP w.e.f. December 30, 2024, pursuant to SEBI Circular dated August 20, 2024 wherein the CISO is required to report directly to the Managing Director & CEO of the Company
11.	Mr. Naveen Gogia	Co - Head - Sales & Distribution, Co - Head - International Business and Head - Public Relations	Ceased w.e.f. close of business hours of September 16, 2024
12.	Mr. Rajiv Maniar	Head – Sales & Distribution	Re-designated from Co - Head - Sales & Distribution to Head – Sales & Distribution w.e.f. September 17, 2024
13.	Ms. Sonali Chandak	Company Secretary & Head - Legal	Appointed w.e.f. July 16, 2024
14.	Mr. Harish Narayanan	Chief Digital and Marketing Officer	Appointed w.e.f. June 3, 2024
15.	Mr. Mitul Patel	Head – PMS Investments	Ceased w.e.f. close of business hours of October 25, 2024
16.	Ms. Mudeita Patrao	Head – Digital	Ceased w.e.f. close of business hours of June 21, 2024
17.	Ms. Sylvia Furtado	Company Secretary & Head - Legal	Ceased w.e.f. close of business hours of July 15, 2024

Board meetings

The meetings of the Board of Directors and its Committees are normally held at your Company's Registered Office in Mumbai. Video conferencing facilities are made available to conduct such meetings in case physical presence is not possible.

The Chairman ensures that the meeting is conducted in such way that the business for which it was convened is properly attended to, and that all those entitled to may express their views and that the decisions taken by the meeting adequately reflect the views of the meeting as a whole. He summarises the discussions to ensure that members are in agreement with the Board's view on the issues discussed.

At the Board/Committee meetings, the Managing Director & CEO and Senior Management, who are invited to those meetings, make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory changes.

During the FY 2024-25, eight (8) Board meetings were held i.e. on April 19, 2024; June 7, 2024; July 15, 2024; September 2, 2024; October 15, 2024; November 28, 2024; January 14, 2025, and March 7, 2025.

Attendance at the eight (8) Board meetings held during the FY 2024-25 and at the last AGM

Name of the Director(s)	Number of Board meeting(s)		Attendance at the 25th AGM
	Held during tenure	Attended	
Mr. Deepak S. Parekh (Chairman)	8	7	Yes
Mr. V Srinivasa Rangan	8	7	Yes
Ms. Renu Sud Karnad	8	7	Yes
Mr. Dhruv Kaji	8	8	Yes
Mr. Jairaj Purandare	8	8	Yes
Mr. Sanjay Bhandarkar	8	8	Yes
Mr. Parag Shah	8	8	Yes
Ms. Roshni Nadar Malhotra	8	6	Yes
Mr. Navneet Munot	8	8	Yes

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to committees of the Board set up for the purpose. The composition and functioning of these board committees is in compliance with the applicable provisions of the Act and Listing Regulations.

There have been no instances where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required, during the financial year.

Audit Committee

The Audit Committee consists of four (4) Non-Executive Directors of which three are Independent Directors, who are well-versed with accounting, financial matters and corporate laws. The Chairman of the Audit Committee was also present at the last AGM of the Company.

During the FY 2024-25, eight (8) Audit Committee meetings were held i.e. on April 19, 2024; June 6, 2024; July 15, 2024; October 15, 2024; November 28, 2024; January 13, 2025; January 14, 2025 and March 7, 2025.

Audit Committee Composition and attendance of members at the eight (8) meetings held during the FY 2024-25

Name of the Director(s)	Number of meeting(s)	
	Held during tenure	Attended
Mr. Dhruv Kaji (Chairman)	8	8
Mr. Jairaj Purandare	8	8
Mr. Sanjay Bhandarkar	8	8
Mr. V Srinivasa Rangan	8	7

The Company Secretary acts as the Secretary to the Audit Committee. The Committee invites the Managing Director & CEO, Chief Financial Officer, Head – Corporate Client Services, Head – Operations, Chief Compliance Officer, other executives of the Company as it considers appropriate, representatives of statutory auditor and representatives of internal auditor to attend the meetings of the Committee.

The terms of reference for the Audit Committee broadly includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and the auditors' report thereon, before submission to the Board for approval, with particular reference to:
   a) matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
   b) changes, if any, in accounting policies and practices and reasons for the same

c) major accounting entries involving estimates based on the exercise of judgement by management

d) significant adjustments made in the financial statements arising out of audit findings

e) compliance with listing and other legal requirements relating to financial statements

f) disclosure of any related party transactions

g) modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing with management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Reviewing the functioning of the Whistle Blower Mechanism.
19. Approval of appointment of Chief Financial Officer.
20. Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
21. Review, approve, recommend, as applicable, financial reporting process, accounting policy issues for the Schemes including any proposed changes to the accounting policies and practice with respect to transactions with related parties of HDFC Mutual Fund, etc.
22. Review the audit opinion issued by the statutory auditors.
23. Consider and recommend adoption of financial statements including half yearly unaudited financial results prepared for the Scheme.
24. Review the system of internal controls and the audit processes for the Mutual Fund operations, including observations, rectifications if suggested by internal / external auditors are acted on.
25. Review of the internal auditors' reports, recommend and forward observations to the Trustee board.
26. Recommending for approval, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor of the Mutual Fund, Internal Auditor of the Mutual Fund, etc. and the fixation of fees for audit and any other services rendered by the Statutory Auditors with respect to the Mutual Fund including the scope of the Internal audit.
27. Reviewing the Internal Audit Reports of the Schemes of Mutual Fund (including Internal Audit Report of critical activities outsourced by the AMC such as Custodian, Fund Accounting, the Registrar and Transfer Agent activity, etc.).
28. Reviewing the findings of any internal investigations by the AMC / internal auditors into matters where there is

suspected fraud or irregularity or a failure of internal control systems of a material nature or issues highlighted or referred through whistle blower complaints, etc.

29. Reviewing Regulatory Inspection Reports.
30. Reviewing implementation status of all outstanding action points arising out of Internal Audit Reports, Statutory Audit Reports, Systems Audit Reports, Inspection Reports etc.
31. Reviewing the adequacy of the internal control systems, including defining metrics for measuring internal controls, seeking comments of the internal auditors about Internal Control Systems, etc. and the steps taken towards improving the effectiveness of internal control system including through automation.
32. Interacting with the statutory and internal auditors of the Mutual Fund, at least once annually without engagement of management of the AMC. Besides the mandatory requirement specified, such interactions may be held whenever felt necessary by the Independent Directors of the Audit Committee.
33. Evaluating various internal control measures in terms of applicable SEBI (Mutual Funds) Regulations, 1996 and various circulars issued thereunder.
34. Reviewing periodic report on compliance with applicable laws and regulations pertaining to the Mutual Fund operation, including the details of non-compliance along with the corrective actions, as applicable.
35. Reviewing the Annual Compliance Report in relation to the "Policy on Prohibition of Insider Trading" of the AMC for Mutual Fund.
36. Assess that the AMC has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company.
37. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder; and
38. Any other matters/authorities/responsibilities/powers assigned as per the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Mutual Funds) Regulations, 1996 and Rules/ circulars issued thereunder, as amended from time to time.

Nomination & Remuneration Committee

During the FY 2024-25, three (3) Nomination & Remuneration Committee meetings were held i.e. on April 10, 2024; June 7, 2024, and January 14, 2025.

Nomination & Remuneration Committee Composition and attendance of members at the three (3) meetings held during the FY 2024-25

Name of the Director(s)	Number of meetings	
	Held during tenure	Attended
Mr. Jairaj Purandare (Chairman)	3	3
Mr. Deepak S. Parekh	3	2
Mr. Dhruv Kaji	3	3
Mr. Parag Shah	3	3

The Company Secretary acts as the Secretary to the Committee.

The broad terms of reference of the Nomination & Remuneration Committee includes:

1. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
3. Formulate criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Devise a policy on diversity of Board of Directors.
5. Review and recommend compensation payable to the Managing Director/Whole Time Directors of the Company including any variation therein from time to time and administer the Company's stock option plans subject to the applicable law.
6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
7. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. Any other matters/authorities/responsibilities/powers assigned as per Companies Act 2013, Rules made thereunder and Listing Regulations, as amended from time to time.

Remuneration of Directors

Nomination & Remuneration Policy

The Nomination & Remuneration Policy, including the criteria for remunerating Non-Executive Directors is recommended by the Nomination & Remuneration Committee and approved by the Board. The objective of the policy is to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration. The Nomination & Remuneration Policy can be accessed on your Company's website https://www.hdfcfund.com/about-us/corporate-governance/code-policy

Non-Executive Directors

The remuneration paid to Non-Executive Directors consists of sitting fees and commission. Further, the expenses for participation in the Board and other meetings are reimbursed to the Directors. Further, in accordance with Regulation 27(1) read with Part E of Schedule II of Listing Regulations, the Company reimburses the Chairman the expenses incurred by him towards the fuel and car maintenance for his services offered for official purposes to the Company. Stock Options may be granted to the Non-Independent Directors as approved by the Committee. No stock options are granted to Independent Directors. There were no other pecuniary relationships or transactions of Non-Executive Director vis-à-vis the Company.

Details of the remuneration and shareholding of Directors of the Company for the FY 2024-25 are as follows:

Name of Director(s)	Salary (in ₹)^	Perquisites (in ₹)	Sitting fees (in ₹)	Commission (in ₹) *	Total (in ₹)	Shareholding
Mr. Deepak S. Parekh	-	-	21,00,000	30,00,000	51,00,000	2,24,000
Ms. Renu Sud Karnad	-	-	17,00,000	30,00,000	47,00,000	1,68,320
Mr. Dhruv Kaji	-	-	26,00,000	30,00,000	56,00,000	-
Mr. Jairaj Purandare	-	-	24,00,000	30,00,000	54,00,000	-
Mr. Sanjay Bhandarkar	-	-	28,00,000	30,00,000	58,00,000	-
Mr. Parag Shah	-	-	19,00,000	30,00,000	49,00,000	-
Ms. Roshni Nadar Malhotra	-	-	7,00,000	30,00,000	37,00,000	-
Mr. V Srinivasa Rangan	-	-	-	-	-	307
Mr. Navneet Munot#	5,03,59,420	2,93,043	-	3,86,81,200	8,93,33,663	21,900

Notes:

*The Commission for the financial year ended March 31, 2025, will be paid to Non-Executive and Independent Directors, subject to deduction of tax, after adoption of financial statements at the forthcoming AGM of the Company scheduled to be held on June 25, 2025.

^ Salary includes contribution to Provident Fund made by the Company.

#Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly, have not been considered in the above information.

No directors were granted employee stock options during the FY 2024-25.

Managing Director & Chief Executive Officer (CEO)

The break-up of the pay scale, commission and quantum of perquisites including, employer's contribution to provident fund, gratuity, club fees, etc., is decided and approved by the Board on the recommendation of the Nomination & Remuneration Committee and is within the overall remuneration approved by the shareholders. Stock Options are granted to the of the Company as approved by the Nomination & Remuneration Committee. The annual increment of the Managing Director & CEO is linked to his performance and is decided and approved by the Board on the recommendation of the Nomination & Remuneration Committee. Terms of the service, the notice period and other terms are as per the terms of agreement entered into by him with the Company.

Evaluation of the Board and Directors

During the year, the Board carried out an annual evaluation of its own performance, performance of the board committees and individual directors pursuant to the provisions of the Act and Listing Regulations. The Board on the recommendations of the Nomination & Remuneration Committee approved the criteria for annual evaluation which were broadly based on the Guidance Note on Board Evaluation issued by the SEBI vide its Master Circular dated November 11, 2024.

Each board member was required to fill the board evaluation questionnaire online and the questionnaire were divided into different sections viz. Evaluation of Non – Executive / Independent Directors; Evaluation of Board as a whole;

Evaluation of Board Committees; Evaluation of Chairman and Evaluation of Executive Director.

Evaluation criteria for Board/Committees were on the parameters like attendance, participation and ability to contribute at the meeting, Board as a whole i.e. its structure, diversity, experience, functioning, Board members' understanding of their roles and responsibilities, quality of decision making of the Board and its effectiveness.

The responses received from the Directors with respect to the Board evaluation questionnaire were reviewed, discussed at separate meetings of Independent Directors, Nomination & Remuneration Committee and also the Board, and the suggestions provided by the directors were noted. Performance of the committees was evaluated on the basis of their effectiveness in carrying out their respective mandates. The Chairman's performance evaluation was carried out by Independent Directors at a separate meeting.

All the directors participated in the board evaluation and review exercise including the peer evaluations excluding the director being evaluated.

The suggestions of the Directors under the board evaluation process included conducting one Unit Holder Protection Committee Meeting outside the quarterly cycle to discuss non-quarterly performance reviews. Further, one of the Directors provided positive feedback on Mr. Deepak S. Parekh, Non-Executive Non-Independent Director and Chairman of the Company, stating that his guidance is absolutely invaluable and that the board and management benefit immensely from his experience and wisdom. Another director suggested hiring a COO or Strategy Head to further strengthen the management team. Further, the feedback on the Board and its Committee was positive, noting regular meetings, thorough discussions, proper minutes recording, independence and a well-balanced mix.

During the year, the Company took adequate steps to implement observations arising from the Board evaluation exercise for FY 2023-24.

The Board noted the evaluation results and were satisfied with the overall engagement and effectiveness of the Board and its various Committees.

Stakeholders Relationship and Unit Holder Protection Committee

During the FY 2024-25, four (4) Stakeholders Relationship and Unit Holder Protection Committee meetings were held i.e. on April 19, 2024; July 15, 2024; October 15, 2024, and January 14, 2025.

Stakeholders Relationship and Unit Holder Protection Committee Composition and attendance of members at the four (4) meetings held during the FY 2024-25

Name of the Director	Number of meetings	
	Held during tenure	Attended
Mr. Sanjay Bhandarkar (Chairman)	4	4
Mr. Deepak S. Parekh	4	4
Mr. Dhruv Kaji	4	4
Mr. Jairaj Purandare	4	4
Mr. Parag Shah	4	4
Ms. Renu Sud Karnad	4	4

The broad terms of reference of the Stakeholders Relationship and Unit Holder Protection Committee include:

1. To review unclaimed amounts of dividend and redemptions and measures taken by the Company to reduce the quantum of such unclaimed amounts.
2. To review of, transfer, transmission, nomination process and adherence to service standards adopted with respect to various services adopted by the Company being rendered by the RTA of HDFC Mutual Fund.
3. Review of measures taken for ensuring timely receipt of dividend and redemption proceeds, annual reports, and other regulatory communications/disclosures.
4. To review other activities carried out by the Company under Regulation 24(b) of MF Regulations and its impact on the unit holders.
5. To review of all investors/scheme compensation to ensure they are fair and appropriate and review instances of market abuse by employees of the Company.
6. To recommend policy on utilization of investor education and awareness funds.
7. To review of various investor education and awareness steps taken by the Company including effective utilization of the funds in relation to the above on periodic basis.
8. To review of measures taken by the Company for exit options, voting and obtaining consents as prescribed under the MF Regulations.
9. To review of complaints / grievances handling mechanism including reported instances of mis selling and frauds, if any. Analyse the root cause of investor complaints, identify market conduct, issues and advise the management appropriately about rectifying systemic issues, if any.

10. To review of unit holder complaints and grievances with ageing of outstanding complaints on a periodical basis.
11. To review measures and steps taken to reduce unit holder complaints.
12. To review the various compliance issues relating to protection of the interests of the unit holders.
13. To ensure that the Company adopts a standard operating procedure for its processes including timeframe for processing and confirmation of financial and non-financial transactions, treats unit holders fairly and equally and there is no preferential treatment given to different classes of investors.
14. To ensure compliances with applicable laws with respect to resolving, reporting and disclosures of complaints and grievances.
15. To ensure timeliness and adequacy of disclosures of material information to the investors.
16. To ensure that all conflicts are adequately managed and/ or disclosed as per the conflict-of-interest policy.
17. To ensure that the Company has approved internal policy for measurement of various parameters (such as cases of investor compensation, investor complaints, fraud incidents impacting any investor/ scheme, consistent underperformance of any scheme, number of incidents where the agreed Turn Around Time (TAT) has exceeded with respect to investor related transactions such as redemptions/ redressal of investor complaints/ non-financial transactions, etc., system issues/ incidents/ BCP events impacting investors, data privacy / cyber security incidents impacting investors) through appropriate UP metrics.
18. To approve the UP metrics along with the targeted level / benchmark for each parameter, where possible.
19. To review the reports generated with respect to the Unitholder Protection metrics at least once in a half year.
20. To brief board of directors of the Company on the proceedings of the meeting and minutes of the meeting also be placed before the board of directors of Trustee Company.
21. To report its findings to the board of directors of Company along with recommendations for action.
22. To recommend relating to protection of interest of investors as well as monitor its implementation.
23. To review the steps taken by the Company to redress the grievances of the mutual fund investors and the cases, if any, pending before the Courts/ Forums/Regulatory Authorities against the Company / Mutual Funds.
24. To review the activities carried out by the investor service centres of the Company and their adherence to service standards.
25. To consider and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates and general meetings, etc.
26. To review the measures taken for effective exercise of voting rights by shareholders.
27. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent with respect to shares of the Company.
28. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
29. To carry out any other roles and responsibilities as mandated by the Board of Directors from time to time and / or enforced by any statutory authority including any modification or amendment as may be applicable.

Compliance Officer

Pursuant to Listing Regulations, Ms. Sonali Chandak, Company Secretary & Head – Legal of the Company is the Compliance Officer w.e.f. July 16, 2024 and Ms. Sylvia Furtado, Company Secretary & Head - Legal of the Company was the Compliance Officer upto the close of business hours of July 15, 2024.

There was no investor complaint at the beginning of the financial year. During the year under review, the Company received seven (7) complaints from shareholders/SEBI/ Stock Exchanges/ MCA. There were no complaint pending as on March 31, 2025. The Complaints were redressed to the satisfaction of the shareholders. There were no transfer requests received by the Company during the year.

Environmental, Social and Governance and Corporate Social Responsibility Committee

During the FY 2024-25, three (3) Environmental, Social and Governance and Corporate Social Responsibility Committee ("ESG & CSR Committee") meetings were held i.e. on April 19, 2024; June 7, 2024, and October 15, 2024.

ESG & CSR Committee Composition and attendance of members at the three (3) meetings held during the FY 2024-25

Name of the Director(s)	Number of meetings	
	Held during tenure	Attended
Mr. Deepak S. Parekh (Chairman)	3	2
Mr. Parag Shah	3	3
Mr. Sanjay Bhandarkar	3	3
Mr. Navneet Munot	3	3

The ESG & CSR Committee is responsible for formulating the Corporate Social Responsibility Policy, recommending the amount of expenditure to be incurred on CSR activities, and reviewing and approving projects/programmes to be supported by your Company. The ESG & CSR Committee in addition to the above also oversee the development and implementation of the Company's Environmental, Social & Governance framework.

For details of CSR activities, refer to the Directors' Report.

Risk Management Committee

The Company has constituted the Risk Management Committee in line with the Listing Regulations and Risk Management Framework circular issued by SEBI. The Committee looks into various areas of risk management as specified in the aforesaid circular and internal controls pertaining to Mutual Fund and the Company.

During the FY 2024-25, four (4) Risk Management Committee meetings were held i.e. on April 19, 2024; July 15, 2024; October 15, 2024, and January 14, 2025.

Risk Management Committee Composition and attendance of members at the four (4) meetings held during the FY 2024-25

Name of the Director(s)	Number of meetings	
	Held during tenure	Attended
Mr. Deepak S. Parekh (Chairman)	4	4
Ms. Renu Sud Karnad	4	4
Mr. Sanjay Bhandarkar	4	4
Mr. V Srinivasa Rangan	4	3

The broad terms of reference of the Risk Management Committee includes:

1. Review and approve various mandatory risk management policies and framework both at AMC and scheme level, including but not limited to such as:
   a) Risk Management Policy,
   b) Investment policy,
   c) Credit risk policy,
   d) Liquidity risk policy,
   e) Operational risk management policy (including Incident reporting and escalation matrix),
   f) Outsourcing policy,
   g) Cyber security and information security policy,
   h) Business Continuity and Disaster Recovery Plan,
   i) Such other policies as may be prescribed by SEBI from time to time

   Any modifications to the policies approved by the Executive Risk Management Committee ("ERMC") shall be reviewed by the RMC of the AMC.
2. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) including any other officer(s) to be appointed from time to time.
3. Review and approve the risk appetite, risk metric and tolerance limits for AMC and schemes.
4. Periodically review the risk appetite and risk metrics against actual risk of the AMC and scheme.
5. Review breaches to risk appetite and risk matrix / thresholds and approve the action plan for remediation.
6. Define mechanism for risk reporting on a quarterly basis by ERMC to the BRMC of the AMC.
7. Annually review and approve changes to the roles and responsibilities and Delegation of Power ("DoP") as placed by the ERMC.
8. Periodically review material breaches in the code of conduct.
9. Monitor and review the resolution, strategies as recommended by the management and ERMC for the existing and emerging risks identified by them.
10. Review exceptions to key risks, if any, such as:
    - Results of stress testing (investment, credit and liquidity risks)
    - Outliers identified during "Early Warning Signals" review
    - Material alerts generated through the liquidity risks model at scheme level
    - Material deviations, issues and corrective actions as a result of periodic RCSA review

11. Report on outsourced vendor review and risks emanating from them along with the remediation plans.
12. Review and recommend the level and type of insurance cover against first and third party losses arising from errors and omissions.
13. Review evaluation of the loss / near miss incidents and fraud risk reports submitted by the ERMC.
14. Review major findings and corrective actions approved by CEO and CRO on various risks.
15. Formulate and approve a methodology for annual evaluation of the RMF, either through an auditor or by way of self-assessment.
16. Review the findings and action plan on the annual RMF compliance review.
17. Approve Terms of Reference for Executive Risk Management Committee (ERMC).
18. Delegate matters to CEO or the Executive Risk Management Committee, as required.
19. Review any other material deviations or exceptions and matters of concerns identified by the management / ERMC / previous BRMC meeting(s) along with action plans.
20. To implement the Risk Management framework for the Company as and when mandated under the SEBI (Mutual Fund) Regulations, 1996 or any other applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
21. To review the Cyber security risk and business continuity plan of the Company.
22. Ensure and comply with such other matters specified by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 read with various amendments and clarifications issued by SEBI from time to time and SEBI Risk Management Circular dated 27th September 2021, as may be amended from time to time.
23. Ensure and comply with such other matters specified by the SEBI (Mutual Funds) Regulations, 1996 or SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or Companies Act, 2013, read with various amendments and clarifications issued by the said authorities, from time to time.

The minutes of meetings of all the Committees of the Board of Directors were placed before the Board.

General Body Meetings

The Company held its last three (3) Annual General Meetings as under:

Nature of Meeting(s)	Date	Time	Venue	Special Resolution(s) passed
25th General Meeting	July 25, 2024	3.00 p.m. (IST)	Through Video Conferencing / Other Audio Visual means	• Amendments to Articles of Association of the Company • Approval for extending the benefit and coverage of Employees Stock Option Scheme - 2020 of the Company to the eligible employees of HDFC AMC International (IFSC) Limited, a Wholly Owned Subsidiary of the Company • Approval of special rights available to HDFC Bank Limited
24th General Meeting	June 26, 2023	3.00 p.m. (IST)	Through Video Conferencing / Other Audio Visual means	Re-appointment of Mr. Dhruv Kaji, Mr. Jairaj Purandare, Mr. Sanjay Bhandarkar, Mr. Parag Shah, Ms. Roshni Nadar Malhotra as Independent Directors of the Company
23rd General Meeting	June 29, 2022	3.00 p.m. (IST)	Through Video Conferencing / Other Audio Visual means	Re-appointment of Mr. Deepak S. Parekh as Non-Executive Director of the Company

Postal Ballot

Pursuant to the provisions of Section 110 read with Section 108 and all other applicable provisions, if any, of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, guidelines prescribed by the Ministry of Corporate Affairs (the "MCA"), Government of India, for holding general meetings / conducting postal ballot process through electronic voting (remote e-voting) and any other applicable laws and regulations, the approval of the Members for below

mentioned Special Resolutions is being obtained by means of Postal Ballot through e-voting:

Particulars	Postal Ballot Notice Dated April 17, 2025
Resolutions	a. Approval of the Employees Stock Options and Performance-linked Stock Units Scheme – 2025 for grant of Employee Stock Options and Performance-linked Stock Units to eligible employees of the Company. b. Approval of the Employees Stock Options and Performance-linked Stock Units Scheme – 2025 for grant of Employee Stock Options and Performance-linked Stock Units to eligible employees of Subsidiary/ies of the Company.
e-voting	KFin Technologies Limited (KFintech)
Scrutinizer	The Board of Directors has appointed Mr. Surjan Singh Rauthan (C.P.3233), Proprietor of S. S. Rauthan & Associates, Practicing Company Secretaries, as the Scrutinizer, for conducting the Postal Ballot process and the e-voting in a fair and transparent manner
Cut-off Date	Friday, May 2, 2025
Dispatch Date of Notice	Wednesday, May 7, 2025
E-voting period	Commenced on Thursday, May 8, 2025 at 9:00 A.M. (IST) and will end on Friday, June 6, 2025 at 5:00 P.M. (IST).

Procedure followed

In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules made thereunder and Regulation 44 of the Listing Regulations and the Circulars issued by the MCA for seeking the approval of the Members the Company had sent the Postal Ballot Notices in electronic form only to its registered Members whose e-mail IDs were registered with the Depository or with Registrars and Share Transfer Agents of the Company as on cut-off date. The Members were required to communicate their assent or dissent only through the e-voting facility.

The Board of Directors has appointed Mr. Surjan Singh Rauthan (C.P. 3233) Proprietor of S. S. Rauthan & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinise the Postal Ballot process and the e-voting in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman of the Company, or any person authorized by him upon completion of the scrutiny of the votes cast through remote e-voting. The results of the Postal Ballot will be announced not later than two working days of the conclusion of the remote e-voting. The results declared along with the Scrutiniser's Report shall be placed on the website of the Company and KFintech and also communicated to the Stock Exchanges simultaneously. The results shall also be displayed on the notice board at the Registered Office of the Company. Please refer to notice of Postal Ballot at https://www.hdfcfund.com/about-us/financial-information/annual-reports.

Means of Communication

Quarterly/Half-yearly/Annual Results: The Quarterly Results of your Company are published in the Business Standard, a National English daily with a wide circulation and the Navshakti (Marathi) newspaper. The said newspaper clippings also include a Quick Response code and the web link to access complete financial results with effect from December 12, 2024 pursuant to amendment in Listing Regulations. The results are also available on the website of the Company at www.hdfcfund.com.

News Releases and Presentations: News releases are first sent to the stock exchanges before their release to media for wider dissemination. Presentation made to Investors/ Analysts, Media, Institutional Investors, etc. are available on the stock exchanges where the shares of the Company are listed (BSE and NSE) as well as on the Company's website.

Website: The Company's website contains a separate section, AMC Shareholder where the latest shareholder information is available. It contains comprehensive information which is of interest to the shareholders including the financial results, Annual Reports, information disclosed to Stock Exchange, policies of the Company, etc.

Annual Report: The Annual Report containing Notice of Annual General Meeting, Audited Annual Accounts, Directors' Report, Corporate Governance Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report, Business Responsibility and Sustainability Report (BRSR) and Reasonable Assurance of BRSR Core form part of the Annual Report. The Annual Report is also available on the Company's website at www.hdfcfund.com.

NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre: The NSE and the BSE have developed web-based applications, NEAPS and BSE Listing Centre for corporates to electronically file compliances such as financial results, shareholding pattern and corporate governance report etc.

SEBI Complaints Redress System (SCORES): Shareholders complaints are also processed through a centralised web based complaint redressal system, SCORES. This system enables the Company to have a centralised database of the complaints and upload online action taken reports. Investors can also view the current status of and actions taken on their complaints.

Online Dispute Resolution Portal (ODR Portal): SEBI vide its Master Circular dated December 28, 2023 has provided an online dispute redressal forum/portal for redressing the unresolved queries of the shareholder(s).

Pursuant to above-mentioned master circular, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https:// smartodr.in/login) and the same can also be accessed through the Company's website https://www.hdfcfund.com/contactus/stakeholders-information-and-helpdesk.

Web-based Query Redressal System: Members may utilise the facility extended by the Registrar and Share Transfer Agent for redressal of queries, by visiting https://ris.kfintech.com/ clientservices/isc and clicking on 'Post a Query' option for query registration through an identity registration process. Investors can submit their query provided on the above website, that would generate the query registration number. For accessing the status/response to the query submitted, the query registration number can be used at the option 'VIEW REPLY' after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

Disclosures

Related Party Transactions

During the FY 2024-25, the Company has not entered into any materially significant related party transaction that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in notes to financial statements.

Related Party Transactions Policy ensures proper approval and reporting of the concerned transactions between the Company and related parties. The Policy can be accessed at https://www.hdfcfund.com/about-us/corporate-governance/code-policy

Non-compliance/Penalties/Strictures Imposed

No penalties or strictures were imposed on the Company by the stock exchange(s) or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

It may be noted that the Company receives advisory letters in the regular course of its business pertaining to Mutual Funds / Portfolio Management Services/ Alternative Investment Funds pursuant to regulatory inspections conducted by SEBI from time to time. Necessary corrective actions in this regard are taken by the Company.

Whistle Blower Policy/Vigil Mechanism

This Policy has been formulated for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics Policy. The Company has adopted a third party web based reporting tool which provides a secure and confidential platform to report genuine concerns and can be accessed by all employees/ Directors/ stakeholders for lodging a complaint or expressing genuine concerns.

During the year, no person was denied access to the Audit Committee for expressing their concerns or reporting grievances under the Whistle Blower Policy and/or vigil mechanism.

The Policy is available at https://www.hdfcfund.com/about-us/corporate-governance/code-policy.

Code for Prevention of Insider Trading

AMC Share Dealing Code ("Code") provides a framework which deals with the internal procedures and conduct in dealing with the securities of the Company. The Code has been formulated in compliance with PIT Regulations and amendments thereto. Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of PIT Regulations.

Compliance with Mandatory and Adoption of Non-Mandatory Requirements

Your Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, have certified that your Company has complied with the mandatory requirements as stipulated under the Listing Regulations. The certificate forms part of this Report.

Your Company has also obtained a certificate from M/s. MMJB & Associates LLP, Practicing Company Secretaries, confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The said certificate forms part of this Report.

Your Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II and Regulation 27(1) of Listing Regulations.

Modified Opinion(s) in Audit Report

Your Company's financial statements have unmodified audit opinions.

Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

Your Company has appointed separate persons to the post of the Chairperson and the Managing Director & CEO.

Reporting of Internal Auditor

The Internal Auditors of the Company report directly to the Audit Committee.

Material Subsidiary

In accordance with Regulation 16(1)(c) of the Listing Regulations, your Company has formulated Policy for determining Material Subsidiary which is available at https://www.hdfcfund.com/about-us/corporate-governance/code-policy.

Your Company has a wholly owned subsidiary company viz. "HDFC AMC International (IFSC) Limited" which was incorporated on May 27, 2022. However, presently the said subsidiary is not a material subsidiary.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

As such, your Company is not exposed to any commodity price or material foreign exchange risk and hence the disclosure under Clause 9(n) of Part C of Schedule V of the Listing Regulations, in terms of the format prescribed vide SEBI Master Circular dated November 11, 2024 is not applicable.

Details of Funds raised through preferential allotment or qualified institutions placement

During the FY 2024-25, the Company has not raised any funds through preferential allotment or qualified institutions placement.

Fees Paid to Statutory Auditor

Details of fees paid to the Statutory Auditor, M/s. B S R & Co. LLP, Chartered Accountants and all entities in the network firm/ network entity, of which the Statutory Auditor is a part, for all services taken by your Company and its subsidiary, on a consolidated basis, during FY 2024-25 are as under:

(₹ in Crore)

Particulars	Amount
Audit Fees	0.42
Tax audit fee	0.05
Taxation Matters	0.00
Reimbursement of Expenses	0.07
Limited Review Fees	0.29
Group Audit and Reviews	0.39
Other Services	0.04
Total	**1.26**

Notes:

1) The above amount includes amount accrued as payable at the year end.

2) The above details have been compiled based on the list of entities provided by the statutory auditors.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)

Your Company has zero tolerance for sexual harassment at workplace and is compliant with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH).

During the year, the Internal Complaints Committee received no complaint pertaining to sexual harassment.

Loans and advances

The Company and its subsidiary have not given any Loans and advances in the nature of loan to firms/companies in which directors are interested.

Code of Conduct

Your Company has adopted a Code of Conduct for all employees including the members of the Board and Senior Management Personnel. All members of the Board and Senior Management Personnel have affirmed compliance with the said Code of Conduct for FY 2024-25.

The declaration to this effect signed by Mr. Navneet Munot, Managing Director & CEO of the Company forms part of this Report.

Managing Director (MD) / Chief Financial Officer (CFO) Certification

Necessary certification has been issued by Mr. Navneet Munot, MD & CEO and Mr. Naozad Sirwalla, CFO to the Board in terms of Regulation 17 read with Schedule II Part B of the Listing Regulations. A copy of this certificate forms part of this Report.

Demat Suspense Account/Unclaimed Suspense Account

The Company does not have any equity shares lying in Demat suspense account/unclaimed suspense account.

General Shareholder Information:

26th Annual General Meeting

Day/Date	:	Wednesday, June 25, 2025
Time	:	3.00 pm (IST)
Venue	:	Annual General Meeting through Video Conferencing/ Other Audio Visual Means (VC/OAVM facility) [Deemed Venue for the Meeting: Registered Office: "HDFC House", 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai-400 020]
Financial Year	:	April 1, 2024 to March 31, 2025

Dividend Distribution Policy

The Company ensures that an appropriate balance is maintained between adequately rewarding the shareholders and ensuring that adequate financial resources are available to fuel the growth aspirations of the Company. Company's Dividend Distribution Policy specifies the financial parameters that will be considered when declaring dividends, internal and external factors for declaring dividends and the circumstances under which shareholders can or cannot expect a dividend. The Policy is available on the website of the Company at https://www.hdfcfund.com/about-us/corporate-governance/code-policy

Dividend Payment Date

The Board of Directors at its meeting held on April 17, 2025 has recommended dividend of ₹ 90/- per equity share of ₹ 5/- each for the financial year 2024-25, subject to approval by shareholders. Further, if dividend approved by the shareholders, will be paid within the prescribed period of 30 days from the date of the forthcoming AGM.

Unclaimed Dividend

The details of the last date for claiming the unclaimed dividends from the Company, prior to transfer to IEPF are as under:

Financial Year	Date of payment	Last date to claim from the Company prior to transfer to IEPF
Interim dividend 2018-19	March 12, 2019	March 29, 2026
Final dividend 2018-19	July 17, 2019	August 18, 2026
Dividend 2019-20	July 24, 2020	August 26, 2027
Dividend 2020-21	July 17, 2021	August 18, 2028
Dividend 2021-22	June 30, 2022	July 31, 2029
Dividend 2022-23	June 27, 2023	July 27, 2030
Interim Dividend 2023-24	June 26, 2024	July 09, 2031

E-voting Period

Starts: Saturday, June 21, 2025 at 9.00 am (IST)

Ends: Tuesday, June 24, 2025 till 5.00 pm (IST)

Cut-off date for e-voting: Wednesday, June 18, 2025. Shareholders holding shares as on cut-off date shall be eligible to vote either through remote e-voting or during the AGM.

Listing Details

Name of Stock Exchange	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	541729
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.	HDFCAMC

ISIN for Depositories – INE127D01025

The Company has paid listing fees at both the exchanges and has complied with the listing requirements.

The Equity Shares of the Company were not suspended from trading anytime during the FY 2024-25.

Registrar and Transfer Agent (RTA):

KFin Technologies Limited
Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032, Telangana.
Website: https://www.kfintech.com and / or https://ris.kfintech.com/
E-mail: einward.ris@kfintech.com
Toll Free no.: 1800-309-4001

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, registration of e-mail id, non-receipt of dividend or any other query relating to shares, please write to our RTA at aforesaid address.

Members are requested to note that, as an ongoing endeavor to enhance Investor experience and leverage new technology, our registrar and transfer agents, KFIN Technologies Limited have been continuously developing new applications. Here is a list of applications that has been developed for our shareholders.

Shareholders Support Centre: A webpage accessible via any browser enabled system. Shareholders can use a host of services like Post a Query, raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms.

URL: https://ris.kfintech.com/clientservices/isc/default.aspx

e-Sign Facility: Common and simplified norms for processing shareholders' service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to shareholders for raising service requests. KFIN Technologies Limited is the only RTA which has enabled the option and can be accessed via the link below.

https://ris.kfintech.com/clientservices/isr/isr1.aspx

KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

URL: https://ris.kfintech.com/clientservices/isc/kycqry.aspx

KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

URL: https://kprism.kfintech.com/signin.aspx.

The e-mail ID, shareholders.relations@hdfcfund.com, has been created for redressal of investor complaints and the same is disclosed on the Company's website.

Share Transfer System

The Company's share transfer and related operations is operated through its Registrar and Share Transfer Agent (RTA) – KFin Technologies Limited.

In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

Shareholders may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only and for processing service requests viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition, the shareholders holding shares in physical form, are required to make service requests by submitting a duly filled and signed

prescribed Form ISR – 4, the format of which is available on the Company's website under the link at https://www.hdfcfund.com/information/forms-circulars-physical-shareholders.

In view of above, the Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

Norms for updation of Know Your Customer (KYC) details for shares held in physical form

SEBI vide its Circular dated November 17, 2023 has mandated all shareholders holding shares in physical form to furnish PAN (compulsorily linked with Aadhaar), nomination, contact details, bank account details and specimen signature to RTA.

Presently, the Company has only one (1) shareholder holding two (2) shares in physical form and whose KYC details are updated in the records of Registrar and Share Transfer Agent of the Company.

Category wise Shareholding pattern as on March 31, 2025

Category of Shareholders	Number of Shares	% of Total Shares
Promoter	112,179,830	52.47
Individuals (includes HUFs)	1,66,48,790	7.79
FIIs/ QFIs/ FPIs	4,38,51,865	20.51
Mutual Funds	2,36,89,715	11.08
Financial institutions/Banks	1,450	0.00
Bodies corporate	13,14,629	0.62
NRIs/foreign nationals	8,57,439	0.40
Directors & their Relatives	4,15,438	0.19
Clearing members	595	0.00
Alternative Investment Funds	5,83,381	0.27
Qualified Institutional Buyer	1,42,38,279	6.66
NBFC	240	0.00
Trusts	11,435	0.01
Overseas Corporate Bodies	-	-
Total	**21,37,93,086**	**100%**

Distribution of Shareholding as on March 31, 2025

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1-5000	4,32,937	99.81	1,45,33,653	6.80
2	5001-10000	231	0.05	16,74,728	0.78
3	10001-20000	162	0.04	23,21,040	1.09
4	20001-30000	83	0.02	20,58,272	0.96
5	30001-40000	64	0.01	22,24,018	1.04
6	40001-50000	38	0.01	17,06,027	0.80
7	50001-100000	82	0.02	57,50,256	2.69
8	100001-200000	66	0.02	87,96,463	4.11
9	200001 and above	74	0.02	17,47,28,629	81.73
	TOTAL:	**4,33,737**	**100**	**21,37,93,086**	**100**

Dematerialization of Shares and Liquidity as on March 31, 2025

Particulars of Equity Holding	Equity Shares of ₹ 5/- each	
	Number	% of Total
Dematerialised form		
NSDL	20,60,06,038	96.36
CDSL	77,87,046	3.64
Sub – total	21,37,93,084	100
Physical form	2	0
Total	**21,37,93,086**	**100**

Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs)/ Warrants or any convertible instruments

There are no outstanding GDRs / ADRs / Warrants or any convertible instruments as on March 31, 2025.

Plant Locations

The Company is engaged in the business of financial services and has no such plants, however we serve our customers and distribution partners in over 200 cities through our network of 280 Investor Service Centres (ISCs).

Address for Correspondence with the Company

HDFC Asset Management Company Limited

CIN: L65991MH1999PLC123027

Registered Address: "HDFC House", 2nd Floor,

H. T. Parekh Marg, 165-166, Backbay Reclamation,

Churchgate, Mumbai – 400020.

Tel.: 022 – 66316333 Fax: 022 – 66580203

Website: www.hdfcfund.com

E-mail: shareholders.relations@hdfcfund.com

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad – **Not Applicable**

Declaration by the Managing Director & Chief Executive Officer

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members of

HDFC Asset Management Company Limited

I, Navneet Munot, Managing Director & Chief Executive Officer of HDFC Asset Management Company Limited, hereby confirm that all the members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management of the Company.

Navneet Munot
Managing Director & Chief Executive Officer

Place: Mumbai
Date: April 17, 2025

MD / CFO Certificate

The Board of Directors

HDFC Asset Management Company Limited

HDFC House, H. T. Parekh Marg,

165-166 Backbay Reclamation,

Churchgate, Mumbai 400020.

Sub: Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s)/ Madam(s),

This is to confirm and certify that –

1. We have reviewed financial statements (including the consolidated financial statements) and the cash flow statement for the year ended March 31, 2025 and that:
    i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
    i. Significant changes in internal control over financial reporting during the year;
    ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
    iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Naozad Sirwalla
Chief Financial Officer

Navneet Munot
Managing Director & Chief Executive Officer

Date: April 17, 2025
Place: Mumbai

Corporate Governance Compliance Certificate

To,

The Members,

HDFC Asset Management Company Limited

HDFC House, 2nd floor, H. T Parekh Marg,

165-166, Back Bay Reclamation, Churchgate,

Mumbai- 400020, Maharashtra

We have examined the compliance of conditions of Corporate Governance by HDFC Asset **Management Company Limited ('the Company')** for the year ended on March 31, 2025, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6290/2024

Makarand M. Joshi
Partner
FCS: 5533
CP No.: 3662
UDIN: F005533G000422576

Date: May 23, 2025
Place: Mumbai

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
HDFC ASSET MANAGEMENT COMPANY LIMITED
HDFC House, 2nd Floor, H.T Parekh Marg, Backbay Reclamation,
Churchgate, Mumbai Maharashtra, India, 400020

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **HDFC Asset Management Company Limited** having **CIN L65991MH1999PLC123027** and having registered office at HDFC House, 2nd Floor, H.T Parekh Marg, Backbay Reclamation, Churchgate, Mumbai, Maharashtra, India, 400020, (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) as on May 23, 2025, and Stock Exchanges as on May 23, 2025 ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) Disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other statutory authority as on March 31, 2025.

Table A

Sr. No.	Name of the Directors	DIN	Date of appointment in Company
1.	Mr. Navneet Munot	05247228	16/02/2021
2.	Ms. Roshni Nadar Malhotra	02346621	27/04/2019
3.	Mr. Dhruv Subodh Kaji	00192559	31/10/2018
4.	Mr. Jairaj Manohar Purandare	00159886	31/10/2018
5.	Mr. Sanjay Bhandarkar	01260274	31/10/2018
6.	Mr. Deepak Shantilal Parekh	00009078	04/07/2000
7.	Ms. Renu Sud Karnad	00008064	04/07/2000
8.	Mr. Parag Chandulal Shah	00374944	22/01/2019
9.	Mr. V Srinivasa Rangan	00030248	12/01/2024

General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.

For **MMJB & Associates LLP**
Company Secretaries
ICSI UIN: L2020MH006700
Peer Review Cert. No.: 2826/2022

Saurabh Agarwal
Partner
FCS No.: 9290
CP No.: 20907
UDIN: F009290G000426509

Date: May 23, 2025
Place: Mumbai

Independent Auditor's Report

To the Members of HDFC Asset Management Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of HDFC Asset Management Company Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the *Audit of the Standalone Financial Statements* 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 standalone 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 standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter - Revenue from Investment Management fees

See Note 3.5 and 19 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Investment Management Fee is a significant account balance in the Standalone Statement of Profit and Loss. Investment management fees from the Mutual fund consists of fees from various schemes which invest in different categories of securities in the market like Equity, Debt etc. We have identified revenue from investment management service as a key audit matter since : i. There are inherent risks in computation of investment management fees due to the manual input of approved fee rates into the system. Investment management fees is a percentage of the assets under management ('AUM') managed by the Company. AUM is calculated by the system on a daily basis for each scheme.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: **Testing of Design and Operating Effectiveness of controls:** i. Understood and evaluated the design and implementation of authorisation controls and other key controls relating to recognition of investment management fee; ii. Test checked the operating effectiveness of authorisation controls, and other key controls over recognition of investment management fee.

The key audit matter	How the matter was addressed in our audit
ii. Multiple schemes of HDFC Mutual Fund require effective monitoring over key financial terms and conditions being captured and applied accurately. Any discrepancy in such computations could result in misstatement of investment management fee recognised in the Standalone financial statements.	**Substantive tests:** iii. Evaluated the appropriateness of revenue recognition in respect of investment management fee income and related accounting policy based on the requirements of Ind AS 115; iv. Obtained and tested arithmetical accuracy of investment management fee calculations and reconciled investment management fee to amounts included in standalone financial statements for completeness of income recognition; v. Test checked that investment management fee rates were approved by authorised personnel before being manually entered in the system; vi. Obtained and read the investment management fee certification reports, issued by the statutory auditors of mutual fund schemes for such work and reconciled the certified amounts with the accounting records; vii. Test checked the investment management fee invoices and reconciled with the accounting records; viii. Test checked the receipts of money of Investment Management fee income in the bank statements; ix. Evaluated the adequacy of disclosures relating to the investment management fee earned by the Company.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 standalone financial statements.

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 standalone financial statements, 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 on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 standalone financial statements 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 standalone financial statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
    e. On the basis of the written representations received from the directors as on 1 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
    f. the matters relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.
    g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 30 (a) to the standalone financial statements.

    b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses during the year.

    c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d. (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 37(vi) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 37(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.

As stated in Note 33 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which along with access management tools, as applicable has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:25118189BMLJUR7082

Place: Mumbai
Date: 17 April 2025

Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of HDFC Asset Management Company Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering asset management services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from Banks and financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties in respect of which the requisite information is as below. The Company has not made any investments in firms and limited liability partnership.

(a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. Accordingly, provisions of clauses 3(iii)(a)(c)(d)(e) and (f) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions on which these are made during the year are not prejudicial to the interest of the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-Tax or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	27,05,330	A.Y. 2008-2009	High Court of Bombay
Income Tax Act, 1961	Income Tax	8,69,200	A.Y. 2009-2010	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	7,41,820	A.Y. 2010-2011	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	1,51,69,450	A.Y. 2012-2013	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	1,71,38,730	A.Y. 2013-2014	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	25,18,810	A.Y. 2014-2015	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	12,67,740	A.Y. 2016-2017	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	1,10,37,950	A.Y. 2017-2018	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	2,39,80,151	A.Y. 2018-2019	Commissioner of Income Tax Appeal
CGST Act, 2017 (Delhi State)	Goods and Services Tax	17,81,964	F.Y. 2017-2018	Appellate Authority of GST
CGST Act, 2017 (Assam State)	Goods and Services Tax	2,41,384	F.Y. 2018-2019	Appellate Authority of GST

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the

records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:25118189BMLJUR7082

Place: Mumbai
Date: 17 April 2025

Annexure B to the Independent Auditor's Report

on the standalone financial statements of HDFC Asset Management Company Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HDFC Asset Management Company Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:25118189BMLJUR7082

Place: Mumbai
Date: 17 April 2025

Standalone Balance Sheet

as at March 31, 2025

₹ (in Crore)

Particulars		Note No.	As at March 31, 2025	As at March 31, 2024
Assets				
I	**Financial Assets**			
a	Cash and Cash Equivalents	4	**11.58**	10.21
b	Bank Balance other than (a) above	5	**1.17**	0.96
c	Receivables			
	(i) Trade Receivables	6	**133.18**	93.27
	(ii) Other Receivables	7	**11.84**	13.18
d	Investments	8	**8,288.87**	7,190.03
e	Other Financial Assets	9	**27.76**	21.16
	Sub total - Financial Assets		**8,474.40**	**7,328.81**
II	**Non Financial Assets**			
a	Current Tax Assets (net)		**32.55**	31.04
b	Property, Plant and Equipment	10	**181.39**	136.34
c	Intangible Assets Under Development	10	**0.37**	0.87
d	Goodwill	10	**6.04**	6.04
e	Other Intangible Assets	10	**9.58**	8.92
f	Other Non Financial Assets	11	**49.30**	45.53
	Sub total - Non Financial Assets		**279.23**	**228.74**
	Total Assets		**8,753.63**	**7,557.55**
Liabilities and Equity				
Liabilities				
I	**Financial Liabilities**			
a	**Payables**			
	Trade Payables			
	(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	12	**1.73**	1.08
	(ii) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises	12	**37.83**	37.71
b	**Other Financial Liabilities**	13	**244.64**	206.79
	Sub total - Financial Liabilities		**284.20**	**245.58**
II	**Non Financial Liabilities**			
a	Current Tax Liabilities (net)		**19.72**	6.26
b	Provisions	14	**20.68**	16.38
c	Deferred Tax Liabilities (net)	15	**210.80**	115.56
d	Other Non Financial Liabilities	16	**84.09**	94.70
	Sub total - Non Financial Liabilities		**335.29**	**232.90**
	Total Liabilities		**619.49**	**478.48**
III	**Equity**			
a	Equity Share Capital	17	**106.90**	106.74
b	Other Equity	18	**8,027.24**	6,972.33
	Sub total - Equity		**8,134.14**	**7,079.07**
	Total Liabilities and Equity		**8,753.63**	**7,557.55**

See summary of material accounting policies and accompanying notes which form an integral part of the standalone financial statements.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

Naozad Sirwalla
Chief Financial Officer

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

Sonali Chandak
Company Secretary
(ACS: 18108)

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

₹ (in Crore except per equity share data)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations			
Asset Management Services	19	**3,498.03**	2,584.37
Other Income	20	**560.23**	578.06
Total Income		**4,058.26**	**3,162.43**
Expenses			
Finance Costs	28	**9.41**	9.09
Fees and Commission Expenses		**3.86**	2.48
Employee Benefits Expenses	21	**388.25**	353.46
Depreciation, Amortisation and Impairment	10	**58.41**	52.26
Other Expenses	22	**311.89**	266.95
Total Expenses		**771.82**	**684.24**
Profit Before Tax		**3,286.44**	**2,478.19**
Tax Expense			
Current Tax	25	**730.17**	517.52
Deferred Tax Charge/(Credit)	25	**95.22**	14.79
Total Tax Expense		**825.39**	**532.31**
Profit After Tax		**2,461.05**	**1,945.88**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(loss) of the defined benefit plans		**(3.81)**	(2.13)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Tax on Remeasurement of the defined benefit plans		**0.96**	0.54
Subtotal (A)		**(2.85)**	**(1.59)**
B (i) Items that will be reclassified to profit or loss			
- Fair value changes in debt instruments through Other Comprehensive Income (OCI)		**0.09**	-
(ii) Income tax relating to items that will be reclassified to profit or loss			
- Tax on Fair value changes in debt instruments through OCI		**(0.02)**	-
Subtotal (B)		**0.07**	**-**
Total Other Comprehensive Income (A+B)		**(2.78)**	**(1.59)**
Total Comprehensive Income		**2,458.27**	**1,944.29**
Earnings Per Equity Share (Face Value ₹ 5) (see note 27)			
- Basic		**115.20**	91.15
- Diluted		**114.79**	91.04

See summary of material accounting policies and accompanying notes which form an integral part of the standalone financial statements.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

Naozad Sirwalla
Chief Financial Officer

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

Sonali Chandak
Company Secretary
(ACS: 18108)

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL

₹ (in Crore)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Equity Shares of ₹5 each (March 31, 2024: ₹5 each), fully paid up			
As at March 31, 2024	106.71	0.03	106.74
As at March 31, 2025	**106.74**	**0.16**	**106.90**

B. OTHER EQUITY

₹ (in Crore)

Particulars	Share Application Money - Pending allotment	Reserves and Surplus					Debt instruments through Other Comprehensive Income	Total
		Capital Redemption Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Retained Earnings		
Opening balance as at April 01, 2023	**-**	**52.41**	**602.65**	**174.97**	**111.37**	**5,060.30**	**-**	**6,001.70**
Profit for the year	-	-	-	-	-	1,945.88	-	1,945.88
Other Comprehensive Income - Remeasurement gain/(loss) of the defined benefit plans (net of tax)	-	-	-	-	-	(1.59)	-	(1.59)
Other Comprehensive Income - Fair value changes in debt instruments through OCI (net of tax)	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**1,944.29**	**-**	**1,944.29**
Final Equity Dividend Paid (see note 33)	-	-	-	-	-	(1,024.65)	-	(1,024.65)
Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)	-	-	0.58	-	(0.58)	-	-	-
Transfer from Share Options Outstanding Account to Retained Earnings (towards options lapsed after vesting)	-	-	-	-	(0.00)	0.00	-	-
Additions during the year	3.97	-	3.94	-	47.05	-	-	54.96
Utilised during the year	(3.97)	-	-	-	-	-	-	(3.97)
Changes during the year	**-**	**-**	**4.52**	**-**	**46.47**	**919.64**	**-**	**970.63**
Closing balance as at March 31, 2024	**-**	**52.41**	**607.17**	**174.97**	**157.84**	**5,979.94**	**-**	**6,972.33**
Opening balance as at April 01, 2024	**-**	**52.41**	**607.17**	**174.97**	**157.84**	**5,979.94**	**-**	**6,972.33**
Profit for the year	-	-	-	-	-	**2,461.05**	-	**2,461.05**
Other Comprehensive Income - Remeasurement gain/(loss) of the defined benefit plans (net of tax)	-	-	-	-	-	**(2.85)**	-	**(2.85)**
Other Comprehensive Income - Fair value changes in debt instruments through OCI (net of tax)	-	-	-	-	-	-	**0.07**	**0.07**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**2,458.20**	**0.07**	**2,458.27**
Interim Equity Dividend Paid (see note 33)	-	-	-	-	-	**(1,495.05)**	-	**(1,495.05)**
Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)	-	-	**22.41**	-	**(22.41)**	-	-	-
Transfer from Share Options Outstanding Account to Retained Earnings (towards options lapsed after vesting)	-	-	-	-	**(0.11)**	**0.11**	-	-
Additions during the year	**69.33**	-	**69.16**	-	**22.52**	-	-	**161.01**
Utilised during the year	**(69.32)**	-	-	-	-	-	-	**(69.32)**
Changes during the year	**0.01**	**-**	**91.57**	**-**	**(0.00)**	**963.26**	**0.07**	**1,054.91**
Closing balance as at March 31, 2025	**0.01**	**52.41**	**698.74**	**174.97**	**157.84**	**6,943.20**	**0.07**	**8,027.24**

See summary of material accounting policies and accompanying notes which form an integral part of the standalone financial statements.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

Naozad Sirwalla
Chief Financial Officer

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

Sonali Chandak
Company Secretary
(ACS: 18108)

Standalone Statement of Cash Flows

for the year ended March 31, 2025

₹ (in Crore)

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax*	**3,286.44**	**2,478.19**
	Add/(Less): Adjustments for		
	Depreciation, Amortisation and Impairment	**58.41**	52.26
	Finance Costs	**9.41**	9.09
	Share Based Payments to Employees	**22.49**	47.05
	(Profit)/Loss on Sale of Investments (net)	**(32.66)**	(15.48)
	Fair Value (Gain)/Loss on Investments	**(496.19)**	(531.18)
	Net (Gain)/Loss on foreign currency transactions and translations	**(0.00)**	(0.00)
	(Profit)/Loss on Derecognition of Property, Plant and Equipment (net)	**(0.08)**	(0.05)
	Investment Income from Financial Instruments	**(18.22)**	(25.39)
	Other Interest Income	**(3.11)**	(2.21)
	Operating Profit before working capital changes	**2,826.49**	**2,012.28**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	**(39.91)**	90.48
	(Increase)/Decrease in Other Receivables	**1.34**	(0.59)
	(Increase)/Decrease in Other Financial Assets	**(2.57)**	(0.22)
	(Increase)/Decrease in Other Non Financial Assets	**(1.06)**	(3.28)
	Increase/(Decrease) in Trade Payables	**0.78**	4.43
	Increase/(Decrease) in Other Financial Liabilities	**19.01**	6.17
	Increase/(Decrease) in Provisions	**4.30**	3.81
	Increase/(Decrease) in Other Non Financial Liabilities	**(14.42)**	36.62
	Cash generated from/(used in) operations	**2,793.96**	**2,149.70**
	Income Tax Paid	**(717.26)**	(529.69)
	Net cash from/(used in) operating activities (A)	**2,076.70**	**1,620.01**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Other Intangible Assets	**(44.76)**	(18.56)
	Proceeds from Sale of Property, Plant and Equipment and Other Intangible Assets	**0.10**	0.05
	Purchase of Investments	**(4,025.98)**	(3,634.80)
	Proceeds from Sale of Investments	**3,449.96**	3,102.24
	Investment in Subsidiary Company	**-**	(31.00)
	Dividend Received	**0.78**	0.23
	Interest Received	**19.64**	35.10
	Net cash from/(used in) investing activities (B)	**(600.26)**	**(546.74)**

Standalone Statement of Cash Flows

for the year ended March 31, 2025

₹ (in Crore)

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issuance of Share Capital	**69.32**	3.97
	Share Application Money - Pending allotment	**0.01**	-
	Principal Element of Lease Payments	**(39.94)**	(36.41)
	Interest Element of Lease Payments	**(9.41)**	(9.09)
	Interim Equity Dividend Paid (see note 33)	**(1,495.05)**	-
	Final Equity Dividend Paid (see note 33)	**-**	(1,024.65)
	Net cash from/(used in) financing activities (C)	**(1,475.07)**	**(1,066.18)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	**1.37**	7.09
	Cash and Cash Equivalents at the beginning of the year	**10.21**	**3.12**
	Exchange differences on translation of foreign currency cash and cash equivalents	**(0.00)**	(0.00)
	Cash and Cash Equivalents at the end of the year	**11.58**	**10.21**
	Cash and cash equivalents comprising of:		
	Balance with banks	**11.58**	10.21
	Total	**11.58**	**10.21**
	*Amount spent towards Corporate Social Responsibility expense as per Section 135(5) of the Companies Act, 2013 (see note 32)	**34.59**	31.29

Note: The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

See summary of material accounting policies and accompanying notes which form an integral part of the standalone financial statements.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

Naozad Sirwalla
Chief Financial Officer

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

Sonali Chandak
Company Secretary
(ACS: 18108)

Notes to Standalone Financial Statements

for the year ended March 31, 2025

1. Company overview

HDFC Asset Management Company Limited ('the Company') is a Public Limited Company domiciled in India and its registered office is situated at HDFC House, 2nd Floor, H.T Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. The Company has been incorporated under the Companies Act, 1956 on December 10, 1999 and was approved to act as the Asset Management Company for HDFC Mutual Fund by Securities and Exchange Board of India (SEBI) vide its letter dated July 3, 2000. HDFC Trustee Company Limited ('the Trustee') has appointed the Company to act as the investment manager of HDFC Mutual Fund.

The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services. Further, the Company acts as an Investment Manager to HDFC AMC AIF-II and HDFC AMC Structured Credit AIF–I, trusts registered with SEBI as a Category II Alternative Investment Fund under the SEBI (Alternative Investment Funds) Regulations, 2012.

HDFC Bank Limited ('HDFC Bank' or 'Holding Company') had become the Holding Company and Promoter of HDFC Asset Management Company Limited, in place of Housing Development Finance Corporation Limited ('HDFC Ltd'), with effect from July 01, 2023, pursuant to the Composite scheme of amalgamation of: (i) HDFC Investments Limited and HDFC Holdings Limited, wholly owned subsidiaries of HDFC Ltd with and into HDFC Ltd; and (ii) HDFC Ltd with and into HDFC Bank.

On June 20, 2023, abrdn Investment Management Limited ('abrdn'), one of the promoters of the Company, sold its entire stake in the Company and subsequent to the approval granted by Stock Exchanges for reclassification of abrdn from the 'Promoter' category to 'Public' Category, effective September 18, 2023, abrdn ceased to be the promoter of the Company.

As at March 31, 2025, HDFC Bank Limited, the holding company owned 52.47% of the Company's equity share capital.

The equity shares of the Company have been listed on National Stock Exchange of India Limited and BSE Limited since August 06, 2018.

2. Basis of preparation and recent accounting developments

2.1 Basis of preparation

a) Statement of compliance

These standalone financial statements have been prepared and presented on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time.

The standalone financial statements were approved for issue by the Company's Board of Directors on April 17, 2025, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Details of the Company's material accounting policies are included in Note 3.

b) Presentation of standalone financial statements

The Company presents its standalone balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 36.

c) Functional and presentation currency

Indian Rupee (₹) is the currency of the primary economic environment in which the Company operates and hence it is the functional currency of the Company. Accordingly, the management has determined that standalone financial statements should be presented in Indian Rupees (₹).

d) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from

Notes to Standalone Financial Statements

for the year ended March 31, 2025

the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Standalone Statement of Profit or Loss. Non-monetary items that are measured in terms of historical cost in foreign currency are not re-translated.

e) Rounding Off

All amounts have been rounded-off to the nearest Crore upto two decimal places, unless otherwise indicated.

f) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial instruments (as explained in the accounting policies below)	Fair value
Net defined benefit asset/ (liability)	Fair value of plan assets less present value of defined benefit obligations
Equity settled share based payments	Fair value of the options granted as on the grant date

g) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions as on the reporting date. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results/ actions are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 3.3 (A) (iii) and 10 – estimates of useful lives and residual value of property, plant and equipment, and other intangible assets;
- Note 8 – impairment of investments in subsidiary;
- Note 10 – impairment test of non financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;
- Note 13 – determination of lease term and discount rate for lease liabilities;
- Note 23 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 24 – share based payments;
- Note 25 – recognition of deferred tax assets;
- Note 30 – recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources, if any;
- Note 35 – financial instruments – fair values, risk management and impairment of financial assets.

h) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Measurement of fair values includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Valuation models that employ significant unobservable inputs require a higher degree of judgement and estimation in the determination of fair value. Judgement and estimation are usually required for selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 24 - share based payment
- Note 35 - financial instruments – fair values and risk management and impairment of financial assets.

2.2 Recent Accounting Developments:

Standards issued/amended but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification on accounting standards which would have been applicable to the Company from April 01, 2025.

3. Material Accounting Policies

3.1 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.2 Financial instruments

(i) Recognition and initial measurement of financial assets and financial liabilities

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated.

All the financial assets and financial liabilities are initially measured at fair value. A financial asset or financial liability which is not recognised at Fair Value Through Profit or Loss, is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Standalone Statement of Profit and Loss. Trade receivables that do not contain a significant financing component are initially measured at transaction price.

(ii) Classification, Subsequent measurement, gains and losses of financial assets (other than investments in subsidiary)

Classification:

On initial recognition, a financial asset is classified as measured at

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period

Notes to Standalone Financial Statements

for the year ended March 31, 2025

the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, on initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI) (designated as measured at FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

Subsequent measurement and gains and losses:

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in the Standalone Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Standalone Statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Standalone Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Standalone Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Standalone Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Standalone Statement of Profit and Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, any interest or dividend income, are recognised and are presented separately in the Standalone Statement of Profit and Loss

(iii) Classification, subsequent measurement, gains and losses of financial liabilities

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Financial liabilities are classified as measured at amortised cost or FVTPL. A Financial Liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Standalone Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Standalone Statement of Profit and Loss.

(iv) Derecognition of financial assets and financial liabilities

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its standalone balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(v) Impairment of financial instruments

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not classified as FVTPL or equity investments at FVOCI. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk or the assets have become credit impaired from initial recognition in which case, those are measured at lifetime ECL. 12-month ECL are the portion of expected credit losses that result from default events that are possible within 12 months after reporting date (or a shorter period if the expected life of the instrument is less than 12 months) and Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain

Notes to Standalone Financial Statements

for the year ended March 31, 2025

or loss in the Standalone Statement of Profit and Loss. The Company considers a financial asset to be in default when credit obligations to the Company are unlikely to be fulfilled in full, without recourse by the Company to actions such as realising security, if any.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Presentation of allowance for expected credit losses in the standalone balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Standalone Statement of Profit and Loss and is recognised in OCI.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(vi) Off-setting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the standalone balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.3 (A) Property, plant and equipment

(i) Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises of its purchase price (after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

(iii) Depreciation

Depreciation on property, plant and equipment is provided on straight-line basis as per the estimated useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except for certain assets.

Following is the summary of useful lives of the assets as per management's estimate and as required by the Companies Act, 2013 except assets individually costing less than Rupees five thousand which are fully depreciated in the year of purchase/ acquisition.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Class of property, plant and equipment	Useful Life (no. of years)	
	As per the Companies Act, 2013	As per management's estimate
Buildings*	60	50
Computer Equipment:		
Server and Network*	6	4
Others	3	3
Furniture and Fixtures*	10	7
Electrical Installations*	10	7
Office Equipment	5	5
Vehicles*	8	4
Improvement of Rented Premises	Not specified	Over the lease term or 5 years, whichever is less

*Based on technical advice, management is of the opinion that the useful lives of these assets reflect the period over which they are expected to be used.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if required.

Depreciation on additions/disposals is provided on a pro- rata basis i.e. from/up to the date on which asset is ready to use/disposed off.

(iv) Derecognition

The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Standalone Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

(B) Goodwill

Goodwill was generated on acquisition of rights to operate, administer and manage the schemes of erstwhile Morgan Stanley Mutual Fund. Goodwill is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses, if any.

(C) Other intangible assets

(i) Recognition and measurement

Other intangible assets including computer software are measured at cost and recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Such other intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset comprises of its purchase price (after deducting trade discounts and rebates) including import duties and non-refundable taxes and any directly attributable cost for preparing the asset for its intended use.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in the Standalone Statement of Profit and Loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the Standalone Statement of Profit and Loss. Computer Software is being amortised over a period of 3 years on pro-rata basis i.e. from/up to the date on which asset is available for use/disposed off.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Amortisation method, useful lives and residual values are reviewed at each financial year end and adjusted, if required.

(iv) Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use, and the resultant gains or losses are recognised in the Standalone Statement of Profit and Loss.

(D) Intangible assets under development

The intangible assets under development includes cost of intangible assets that are not ready for their intended use on the date of balance sheet less accumulated impairment losses, if any.

3.4 Impairment of non financial assets

The Company's non financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or goodwill is the higher of its value in use and its fair value. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it.

An impairment loss is recognised if the carrying amount of an asset or goodwill exceeds its estimated recoverable amount. Impairment losses are recognised in the Standalone Statement of Profit and Loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversal of impairment loss is recognised as income in the Standalone Statement of Profit and Loss.

3.5 Revenue recognition

(i) Rendering of services

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 - Revenue from Contracts with Customers, to determine when to recognise revenue and at what amount.

Revenue is measured based on the transaction price specified in the contract with a customer that is allocated to that performance obligation. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, then Company estimates the non-constrained amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

Nature of services

The Company principally generates revenue by providing asset management services to HDFC Mutual fund, Alternative Investment Fund (AIF) and other clients.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Investment Management Services to mutual fund	The Company has been appointed as the investment manager to HDFC Mutual Fund. The Company receives investment management fees from the mutual fund which is charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The maximum amount of management fee that can be charged is subject to applicable SEBI regulations. The contract includes a single performance obligation (series of distinct services) that is satisfied over time and the investment management fees earned are considered as variable consideration. Invoices becomes payable when the bills are issued to the customer.
Portfolio Management Services, Advisory Services and Investment Management Services to AIFs	The Company provides portfolio management services and advisory services to its clients wherein a separate agreement is entered into with each client. The Company earns management fees which is generally charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The Company, in certain instances also has a right to charge performance fee to the clients if the portfolio achieves a particular level of performance as mentioned in the agreement with the client, to the extent permissible under applicable regulations. Generally, no upfront fee is charged to the clients. The Company has also been appointed as the investment manager to HDFC AMC AIF-II and HDFC AMC Structured Credit AIF–I. The Company is entitled for management fee as per the terms of Investment Management Agreement and any other fees as agreed and is recognised on accrual basis. These contracts include a single performance obligation (series of distinct services) that is satisfied over time and the management fees and/or the performance fees earned are considered as variable consideration. Invoices becomes payable when the bills are issued to the customer.

(ii) Recognition of dividend income, interest income or expense, gains and losses from financial instruments

Dividend income is recognised in the Standalone Statement of Profit and Loss on the date on which the Company's right to receive dividend is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the credit-impaired financial asset (i.e. the gross carrying amount less the allowance for expected credit losses). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income/expense on financial instruments at FVTPL is not included in fair value changes but presented separately.

The realised gains/losses from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument

Notes to Standalone Financial Statements

for the year ended March 31, 2025

at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gains/losses represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

3.6 New Fund Offer (NFO) expenses & Commission

NFO expenses on the launch of mutual fund schemes are borne by the Company and recognised in the Standalone Statement of Profit and Loss as and when incurred.

Pursuant to circulars issued by SEBI in this regard, with effect from October 22, 2018, all the scheme expenses including commission on mutual fund schemes, subject to certain permitted exceptions, are being borne by the respective schemes.

Any other commission paid by the Company in line with the applicable regulations is being amortised over the contractual period.

3.7 Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service. Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Share based payment transactions

a) with respect to employees of the Company:

The Employee Stock Option Scheme provides for the grant of options to acquire equity shares of the Company to its eligible employees and certain directors other than independent directors. The period of vesting and period of exercise are as specified within the respective schemes. The fair value at grant date of equity settled share based payment options granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the options. The amount recognised as expense is based on the estimate of the number of options for which the related service conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service conditions at the vesting date. At the end of each reporting period, the Company revisits its estimate of the number of stock options expected to vest. Such compensation cost is amortised over the vesting period of the respective tranches of such grant.

b) with respect to employees of the Subsidiary:

The Employee Stock Option Scheme provides for the grant of options to acquire equity shares of the Company to the eligible employees of its subsidiary. The period of vesting and period of exercise are as specified within the respective schemes. The fair value at grant date of the equity settled share based payment options is recognised as a capital contribution ('deemed investment') to the subsidiary, with a corresponding increase in equity, over the period that the subsidiary's employees unconditionally become entitled to the options. The amount recognised as deemed investment is based on the estimate of the number of options for which the related service conditions are expected to be met, such that the amount ultimately recognised as a deemed investment is based on the number of options that do meet the related service conditions at the vesting date. At the end of each reporting period, the Company revisits its estimate of the number of stock options expected to vest. Such deemed investment is recognised over the vesting period of the respective tranches of such grant.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. The Company makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Standalone Statement of Profit and Loss in the periods during which the related services are rendered by employees.

National Pension System (NPS)

NPS is a defined contribution plan. In case employee opts for NPS, the Company contributes certain percentage of basic salary plus dearness pay, if any, of the eligible employees' salary to the NPS. The Company recognises such contribution as an expense as and when incurred.

(iv) Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Company determines the net interest expense/income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/asset, taking into account any changes in the net defined benefit liability/asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Standalone Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Standalone Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) Other long term employee benefits

The Company's net obligation in respect of long term employee benefits other than post-employment benefits, which are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised as profit or loss in the period in which they arise.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

3.8 Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, the provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the standalone financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/ development of assets and amounts pertaining to Investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

3.9 Leases

The Company assesses whether the contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company leases its office premises. The Company recognises Right of Use (ROU) and lease liabilities for these leases i.e. these leases are on-balance sheet. The Company has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases i.e. leases of all assets that have a lease term of 12 months or less and to low value leases i.e. leases for which the underlying asset is of low value. For these short-term and low value leases, the Company recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and is discounted using the Company's incremental borrowing rate. Since the Company does not have any debts, the Company's incremental borrowing rate has been determined based on the risk-free rate which is adjusted for the financial spread based on the credit spread of the Holding Company.

Certain leases include lease and non-lease components, which are accounted for as one single lease component. Occupancy lease agreements, in addition to contractual rent payments, generally include additional payments for certain costs incurred by the landlord, such as maintenance expenses and utilities. To the extent these are fixed or determinable, they are included as part of the lease payments used to measure the lease liability.

The lease liability is measured at amortised cost using the effective interest method.

The ROU asset is initially measured at cost, which comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received; plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The ROU assets are depreciated using the straight-line

Notes to Standalone Financial Statements

for the year ended March 31, 2025

method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Lease term is determined as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain

The lease liability is remeasured when there is a change in one of the following:

- the Company's estimate of the amount expected to be payable under a residual value guarantee, or
- the Company's assessment of whether it will exercise a purchase, extension, or termination option or
- if there is a modification in the lease.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the Standalone Statement of Profit and Loss if the carrying amount of the ROU asset has been reduced to nil.

As a lessor:

When the Company is the lessor, the lease is classified as either a finance lease or an operating lease. A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

At the commencement date, the Company recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Finance lease income is allocated to lease term so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.10 Income tax

Income tax comprises of current and deferred tax. It is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in Other Comprehensive Income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits, if any

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination, that affects neither accounting nor taxable profit or loss at the time of the transaction and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investment in subsidiary where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The

Notes to Standalone Financial Statements

for the year ended March 31, 2025

existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

3.11 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

3.12 Earnings per share (EPS)

The basic earnings per share is computed by dividing profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

The diluted earnings per share is computed by dividing profit after tax attributable to the equity shareholders adjusted for the effects of all dilutive potential ordinary shares by the weighted average number of equity shares outstanding plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares, unless they are anti-dilutive.

3.13 Investments in Subsidiary

Investments in subsidiary are carried at cost less accumulated impairment losses, if any in standalone financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of such investments, the difference between net disposal proceeds and the carrying amount are recognised in the Standalone Statement of Profit and Loss.

3.14 Dividends on equity shares

The Company recognises a liability to make cash distributions to equity shareholders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders except in case of interim dividends which is approved by Board of Directors. A corresponding amount is recognised directly in equity.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 4 Cash and Cash Equivalents

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with Banks	11.58	10.21
Total	**11.58**	**10.21**

Note 5 Bank Balance other than Cash and Cash Equivalents

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Other Bank Balances		
- Fixed Deposit with Bank (security against bank guarantee)	-	0.16
- Fixed Deposit with Bank (Others)	0.17	-
Earmarked Balances with Banks		
- Unclaimed Equity Dividend	0.99	0.78
- Withheld Brokerage	0.01	0.02
Total	**1.17**	**0.96**

Note 6 Trade Receivables*

(Considered good - Unsecured)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Investment Management Fee Receivable	127.79	90.83
Portfolio Management Fee, AIF and Other Advisory Services Fee Receivable	5.39	2.44
Total	**133.18**	**93.27**

Trade Receivables Ageing

(Undisputed Trade receivables – considered good)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Unbilled dues (A)	**129.03**	**91.71**
Outstanding for following periods from due date of payment		
Less than 6 months	4.13	1.42
6 months -1 year	0.01	0.01
1-2 years	-	0.12
2-3 years	-	-
More than 3 years	0.01	0.01
Total Outstanding (B)	**4.15**	**1.56**
Total (A+B)	**133.18**	**93.27**

*No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

Note 7 Other Receivables*

(Considered good - Unsecured)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Finance Lease Receivable	**9.43**	9.45
Others	**2.41**	3.73
Total	**11.84**	**13.18**

* No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

Note 8 Investments

₹ (in Crore)

Sr. No.	Particulars	As at March 31, 2025					As at March 31, 2024				
		At Amortised Cost	At Fair Value Through Other Comprehensive Income	At Fair Value Through Profit or Loss	At Cost	Total	At Amortised Cost	At Fair Value Through Other Comprehensive Income	At Fair Value Through Profit or Loss	At Cost	Total
		(1)	(2)	(3)	(4)	(5=1+2+3+4)	(1)	(2)	(3)	(4)	(5=1+2+3+4)
1	Mutual Funds	-	-	7,507.56	-	7,507.56	-	-	6,648.64	-	6,648.64
2	Debt Securities	261.45	100.74	8.39	-	370.58	263.50	-	8.22	-	271.72
3	Equity Instruments	-	-	24.40	-	24.40	-	-	24.27	-	24.27
4	Alternative Investment Funds	-	-	345.66	-	345.66	-	-	206.07	-	206.07
5	Venture Capital Fund	-	-	6.64	-	6.64	-	-	5.33	-	5.33
6	Subsidiary-Equity Shares*$	-	-	-	34.03	34.03	-	-	-	34.00	34.00
	Total Gross Investments (A)	**261.45**	**100.74**	**7,892.65**	**34.03**	**8,288.87**	**263.50**	**-**	**6,892.53**	**34.00**	**7,190.03**
7	(i) Investments outside India	-	-	-	-	-	-	-	-	-	-
	(ii) Investments in India	261.45	100.74	7,892.65	34.03	8,288.87	263.50	-	6,892.53	34.00	7,190.03
	Total (B)	**261.45**	**100.74**	**7,892.65**	**34.03**	**8,288.87**	**263.50**	**-**	**6,892.53**	**34.00**	**7,190.03**
	Less: Allowance for Impairment (C)	-	-	-	-	-	-	-	-	-	-
	Total Net Investments (D = A - C)	**261.45**	**100.74**	**7,892.65**	**34.03**	**8,288.87**	**263.50**	**-**	**6,892.53**	**34.00**	**7,190.03**

* A Wholly Owned Subsidiary ('WOS') of the Company namely 'HDFC AMC International (IFSC) Limited', with its principal place of business located in Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India, had been incorporated effective May 27, 2022.

$ Includes cost of stock options granted to the eligible employees of WOS amounting to ₹ 0.03 Crore (Previous Year ₹ Nil).

Note 9 Other Financial Assets

(Considered good - Unsecured)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued on Fixed Deposits	0.01	0.01
Interest accrued on Investments	5.30	5.24
Security Deposits	17.70	15.91
Receivable against sale of Investment	4.75	-
Total	**27.76**	**21.16**

Note 10 (A) Property, Plant and Equipment, Goodwill and Other Intangible Assets

₹ (in Crore)

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at April 01, 2024	Additions	Deductions	As at March 31, 2025	As at April 01, 2024	For the year	Deductions	As at March 31, 2025	As at March 31, 2025
Property, Plant and Equipment									
Buildings									
Freehold	4.34	-	-	4.34	0.70	0.10	-	0.80	3.54
Right of Use Asset	217.83	68.21	49.51	236.53	105.41	41.13	42.89	103.65	132.88
Furniture & Fixtures	3.83	0.96	0.30	4.49	2.48	0.71	0.29	2.90	1.59
Vehicles	0.50	-	-	0.50	0.37	0.11	-	0.48	0.02
Office Equipment	12.61	6.45	1.86	17.20	7.13	2.25	1.85	7.53	9.67
Computer Equipment	26.75	16.85	0.82	42.78	21.33	5.67	0.82	26.18	16.60
Electrical Installations	0.34	-	-	0.34	0.34	-	-	0.34	-
Improvement of Rented Premises	22.08	12.68	6.38	28.38	14.18	3.49	6.38	11.29	17.09
Total (I)	**288.28**	**105.15**	**58.87**	**334.56**	**151.94**	**53.46**	**52.23**	**153.17**	**181.39**
Goodwill and Other Intangible Assets									
Goodwill	6.04	-	-	6.04	-	-	-	-	6.04
Computer Software (Externally acquired)	32.41	5.61	-	38.02	23.49	4.95	-	28.44	9.58
Total (II)	**38.45**	**5.61**	**-**	**44.06**	**23.49**	**4.95**	**-**	**28.44**	**15.62**
Grand Total (I+II)	**326.73**	**110.76**	**58.87**	**378.62**	**175.43**	**58.41**	**52.23**	**181.61**	**197.01**

Notes to Standalone Financial Statements

for the year ended March 31, 2025

₹ (in Crore)

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at April 01, 2023	Additions	Deductions	As at March 31, 2024	As at April 01, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024
Property, Plant and Equipment									
Buildings									
Freehold	4.34	-	-	4.34	0.60	0.10	-	0.70	3.64
Right of Use Asset	208.74	34.61	25.52	217.83	91.03	38.02	23.64	105.41	112.42
Furniture & Fixtures	3.20	0.76	0.13	3.83	2.12	0.49	0.13	2.48	1.35
Vehicles	0.50	-	-	0.50	0.25	0.12	-	0.37	0.13
Office Equipment	10.13	3.72	1.24	12.61	6.34	2.03	1.24	7.13	5.48
Computer Equipment	28.53	3.91	5.69	26.75	22.02	5.00	5.69	21.33	5.42
Electrical Installations	0.34	-	-	0.34	0.34	-	-	0.34	-
Improvement of Rented Premises	17.80	5.69	1.41	22.08	13.29	2.30	1.41	14.18	7.90
Total (I)	**273.58**	**48.69**	**33.99**	**288.28**	**135.99**	**48.06**	**32.11**	**151.94**	**136.34**
Goodwill and Other Intangible Assets									
Goodwill	6.04	-	-	6.04	-	-	-	-	6.04
Computer Software (Externally acquired)	27.24	6.28	1.11	32.41	20.40	4.20	1.11	23.49	8.92
Total (II)	**33.28**	**6.28**	**1.11**	**38.45**	**20.40**	**4.20**	**1.11**	**23.49**	**14.96**
Grand Total (I+II)	**306.86**	**54.97**	**35.10**	**326.73**	**156.39**	**52.26**	**33.22**	**175.43**	**151.30**

Impairment testing

The Goodwill relates to acquisition of rights to operate, administer and manage schemes of the erstwhile Morgan Stanley Mutual Fund. The recoverable amount is the management fee income based on the present value of the future cash flows expected to be derived from the asset (value in use). Management fee income is assumed to be generated at a constant rate and is discounted using a pre-tax discount rate of 6.64% (Previous Year 7.23%) based on one year Government security (G-sec) yield.

An analysis of sensitivity of the computation to a change in key parameters based on reasonably probable assumptions did not identify any probable scenarios in which the recoverable amount would decrease below the carrying amount of goodwill. Consequently, no impairment is required.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 10 (B) Intangible Assets Under Development

For the year ended March 31, 2025

₹ (in Crore)

Particulars	As at April 01, 2024	Additions	Capitalisation	As at March 31, 2025
Intangible assets under development (Externally acquired)	0.87	2.97	3.47	0.37
Total	**0.87**	**2.97**	**3.47**	**0.37**

Intangible assets under development ageing schedule

₹ (in Crore)

Intangible assets under development	As at March 31, 2025				
	Amount in Intangible asset under development for a period of				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.37	-	-	-	0.37
Projects temporarily suspended	-	-	-	-	-
Total	**0.37**	**-**	**-**	**-**	**0.37**

There are no Intangible assets under development as at March 31, 2025, whose completion is overdue or has exceeded its cost compared to its original plan.

For the year ended March 31, 2024

₹ (in Crore)

Particulars	As at April 01, 2023	Additions	Capitalisation	As at March 31, 2024
Intangible assets under development (Externally acquired)	2.14	3.34	4.61	0.87
Total	**2.14**	**3.34**	**4.61**	**0.87**

Intangible assets under development ageing schedule

₹ (in Crore)

Intangible assets under development	As at March 31, 2024				
	Amount in Intangible asset under development for a period of				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.87	-	-	-	0.87
Projects temporarily suspended	-	-	-	-	-
Total	**0.87**	**-**	**-**	**-**	**0.87**

There are no Intangible assets under development as at March 31, 2024, whose completion is overdue or has exceeded its cost compared to its original plan.

Note 11 Other Non Financial Assets

(Considered good - Unsecured)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Advances	2.71	-
Prepaid Expenses	19.35	19.01
Goods & Services Tax Credit Receivable	21.97	21.66
Other Advances	5.27	4.86
Total	**49.30**	**45.53**

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 12 Trade Payables

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Outstanding dues of Micro Enterprises and Small Enterprises	1.73	1.08
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	37.83	37.71
Total	**39.56**	**38.79**

Trade Payables Ageing

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
MSME - Undisputed, Unbilled dues (A)	1.73	1.08
Others - Undisputed		
Unbilled dues (B)	37.83	37.71
Outstanding for following periods from due date of payment		
Less than 1 year	0.00	-
Total (C)	0.00	-
Total Others - Undisputed (D) = (B+C)	37.83	37.71
Total (A+D)	**39.56**	**38.79**

Note 13 Other Financial Liabilities

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Employee Benefits	91.49	76.06
Other Dues	8.58	5.00
Unclaimed Equity Dividend	0.99	0.78
Lease Liabilities	143.58	124.95
Total	**244.64**	**206.79**

Note 14 Provisions

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits (Compensated absences & Leave encashment)	20.68	16.38
Total	**20.68**	**16.38**

Note 15 Deferred Tax Liabilities (net) (see note 25)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Asset	(60.78)	(49.20)
Deferred Tax Liability	271.58	164.76
Total	**210.80**	**115.56**

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 16 Other Non Financial Liabilities

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory Dues	75.04	88.08
Employee Benefits	9.05	6.62
Total	**84.09**	**94.70**

Note 17 Share Capital

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
60,00,00,000 Equity Shares of ₹ 5 each (Previous Year: 60,00,00,000 Equity Shares of ₹ 5 each)	300.00	300.00
5,00,00,000 Redeemable, Cumulative Non-Convertible Preference Shares of ₹ 10 each (Previous Year: 5,00,00,000 Redeemable, Cumulative Non-Convertible Preference Shares of ₹ 10 each)	50.00	50.00
Total	**350.00**	**350.00**
Issued, Subscribed and Paid-up		
21,37,93,086 Equity Shares of ₹ 5 each (Previous Year: 21,34,84,000 Equity Shares of ₹ 5 each), fully paid up	106.90	106.74
	106.90	**106.74**

a) Movement in Equity Share Capital during the year:

₹ (in Crore)

Particulars	March 31, 2025		March 31, 2024	
	No. of Equity Shares	Share Capital	No. of Equity Shares	Share Capital
Shares outstanding at the beginning of the year (face value of ₹ 5 each)	21,34,84,000	106.74	21,34,24,716	106.71
Add: Shares issued during the year (face value of ₹ 5 each)	3,09,086	0.16	59,284	0.03
Shares outstanding at the end of the year (face value of ₹ 5 each)	21,37,93,086	106.90	21,34,84,000	106.74

b) Terms/Rights attached to Equity Shares

1. The Company had issued only one class of equity shares referred to as equity share having face value of ₹ 10 each which was sub-divided to ₹ 5 each w.e.f. February 13, 2018. Each holder of equity shares is entitled to one vote per share.
2. The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the Shareholders at the Annual General Meeting, except in case of interim dividends which is approved by board of directors and confirmed by the Shareholders at the Annual General Meeting.
3. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amount. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

c) 11,21,79,830 equity shares of ₹ 5 each (Previous Year 11,21,79,830 equity shares of ₹ 5 each) are held by HDFC Bank Limited (Holding Company)[$].

Notes to Standalone Financial Statements

for the year ended March 31, 2025

d) Details of Holding Company and Shareholders holding more than 5 percent Share Capital of the Company :

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of Equity Shares (Face Value ₹5)	% of Share Capital	No. of Equity Shares (Face Value ₹5)	% of Share Capital
HDFC Bank Limited (Holding Company)[$]	**11,21,79,830**	**52.47**	11,21,79,830	52.55
Life Insurance Corporation of India	**Not applicable**		1,29,49,242	6.07
SBI Mutual Fund	**Not applicable**		1,22,24,610	5.73

e) 20,18,029 equity shares of ₹ 5 each (Previous Year: 23,16,200 Equity Shares of ₹ 5 each) are reserved for issuance towards outstanding employee stock options.

f) No equity shares were bought back during last five years (Previous Year: Nil).

g) No shares were allotted as fully paid-up 'pursuant to any contract without payment being received in cash' in last five years (Previous Year: Nil).

h) No bonus shares were issued during the period of five years immediately preceding the reporting date (Previous Year: Nil).

i) Details of shareholding of Promoters:

Promoter name	As at March 31, 2025			As at March 31, 2024			As at April 01, 2023
	No. of Equity Shares (Face Value ₹5)	% of total Share Capital	% Change during the year[#]	No. of Equity Shares (Face Value ₹5)	% of total Share Capital	% Change during the year[#]	No. of Equity Shares (Face Value ₹5)
HDFC Bank Limited (Holding Company)[$]	**11,21,79,830**	**52.47**	**-**	11,21,79,830	52.55	-	11,21,79,830
Abrdn Investment Management Limited (formerly known as Standard Life Investments Limited) - see note 1 - Company overview	**-**	**-**	**-**	-	-	(100.00)	2,17,78,305

[#]Computed vis-à-vis number of shares held by the same entity

[$]HDFC Bank Limited ('HDFC Bank') has become the Holding Company and Promoter of HDFC Asset Management Company Limited, in place of Housing Development Finance Corporation Limited ('HDFC Ltd.'), with effect from July 01, 2023, pursuant to the Composite scheme of amalgamation of: (i) HDFC Investments Limited and HDFC Holdings Limited, wholly owned subsidiaries of HDFC Ltd. with and into HDFC Ltd.; and (ii) HDFC Ltd. with and into HDFC Bank.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 18 Other equity

Nature and purpose of reserves

Share application pending allotment

Until the shares are allotted, the amount received is shown under the Share Application Money Pending Allotment.

Capital redemption reserve

Whenever there is a buy-back or redemption of share capital, the nominal value of the capital is transferred to a reserve called Capital Redemption Reserve so as to retain the capital.

Securities premium

Securities Premium is used to record the premium (amount received in excess of face value of equity shares) on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013. The securities premium also includes amount transferred from Share options outstanding account upon exercise of options by employees and directors and subsequent allotment of shares to them.

General reserve

Pursuant to the provisions of Companies Act,1956, the Company had transferred a portion of its net profit before declaring dividend, to general reserve. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Share options outstanding account

The grant date fair value of equity-settled share based payment transactions with employees and directors are recognised in the Standalone Statement of Profit and Loss with the corresponding credit to this account over the vesting period. The amounts recorded in Share options outstanding account are transferred to securities premium upon exercise of stock options and subsequent allotment of shares and transferred to retained earnings on account of stock options not exercised.

Retained earnings

Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to the Shareholders, net of utilisation as permitted under applicable regulations.

Debt instruments through Other Comprehensive Income

This comprises the changes in the fair value of debt instruments recognised in Other Comprehensive Income and accumulated within equity. The Company transfers the amounts from such component of equity to Standalone Statement of Profit and Loss when the relevant debt instruments are derecognised.

Refer 'Other Equity' section in 'Standalone Statement of Changes in Equity' for movement in reserves and surplus during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 19 Asset Management Services

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Investment Management Fee	3,481.91	2,580.60
Portfolio Management Fee, AIF and Other Advisory Services Fee	16.12	3.77
Total	**3,498.03**	**2,584.37**

Note 20 Other Income

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income from Investments		
Interest Income from Investments		
- On Financial Assets measured at Amortised Cost	16.79	25.16
- On Financial Assets measured at Fair Value Through Other Comprehensive Income	0.65	-
Interest on deposit with Banks		
- On Financial Assets measured at Amortised Cost	0.01	0.01
Net gain on Financial Instruments		
- On Financial Assets measured at Fair Value Through Profit or Loss	531.17	547.17
Dividend Income from Investments		
- On Financial Assets measured at Fair Value Through Profit or Loss	0.78	0.23
Total Income from Investments (A)	**549.40**	**572.57**
Others		
Net gain/(loss) on derecognition of Property, Plant and Equipment	0.08	0.05
Other Interest Income	2.18	1.78
Miscellaneous Income	8.57	3.66
Total Others (B)	**10.83**	**5.49**
Total Other Income (A+B)	**560.23**	**578.06**

Note 21 Employee Benefits Expenses

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, Allowances and Bonus	339.82	286.42
Contribution to Provident and Other Funds	15.60	13.77
Share Based Payments to Employees*	22.49	47.05
Staff Welfare and Training Expenses	10.34	6.22
Total	**388.25**	**353.46**

*Accounting for equity settled share based payment transaction (ESOPs) at fair value increases the non-cash component of Employee Benefits Expenses and is also 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 and subsequent allotment of shares. Hence, this charge is neutral to Equity of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 22 Other Expenses

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
New Fund Offer and Mutual Fund Expenses	**11.37**	5.20
Advertisement, Publicity and Business Promotion	**45.99**	45.14
Rent	**1.52**	0.60
Rates and Taxes	**0.46**	0.44
Electricity Charges	**6.37**	5.54
Office Cleaning and Security Cost	**23.04**	19.81
Repair and Maintenance	**8.11**	7.97
Communication Expenses	**9.04**	8.39
Printing, Stationery and Courier	**6.53**	6.13
Directors' Sitting Fees, Commission, allowances and expenses	**3.52**	3.39
Auditors Remuneration:		
Audit Fee	**0.37**	0.33
Limited Reviews	**0.24**	0.19
Group Audit and Reviews	**0.33**	0.27
Tax Audit Fee	**0.05**	0.04
Taxation Matters	**-**	0.00
Reimbursement of Expenses	**0.05**	0.06
Other Services*	**0.04**	0.31
	1.08	**1.20**
Legal and Professional Fees	**13.66**	10.59
Insurance Expenses	**8.52**	6.83
Travel and Conveyance	**10.10**	8.24
Subscription and Membership Fees	**11.01**	10.54
Outsourced Services Cost	**33.95**	29.13
Donations	**0.06**	0.03
Loss on Foreign Exchange Translation (net)	**0.05**	0.05
Corporate Social Responsibility expense as per Section 135 (5) of the Companies Act, 2013 (see note 32)	**34.59**	31.29
Trademark Licence Fees	**13.17**	7.56
Software Expenses and Allied Services	**48.38**	42.42
KYC Expenses related to Mutual Fund Investors	**15.33**	11.94
Miscellaneous Expenses	**6.04**	4.52
Total	**311.89**	**266.95**

*For the year ended March 31, 2024, fees for Other Services primarily includes fee towards assurance service as required under the Business Responsibility and Sustainability Report (BRSR) Core prescribed by Securities and Exchange Board of India.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 23 Employee Benefits

a) Defined Contribution Plan

The Company has recognised the following amounts in the Standalone Statement of Profit and Loss, which are included under Contributions to Provident and Other Funds:

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to Provident Fund	**8.76**	8.11
Employer's contribution to National Pension System	**1.84**	1.40

b) Defined Benefit Plan - Gratuity

In accordance with the applicable Indian laws, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

The amounts are based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the plan. The plan is funded with a life insurance company in the form of a qualifying insurance policy.

The following tables summaries the components of net employee benefit expense recognised in the Standalone Statement of Profit and Loss, the funded status and amounts recognised in Standalone Balance Sheet.

(i) Changes in Present Value of the Defined Benefit Obligation

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Obligation as at beginning of the year	**42.58**	37.37
Current service cost	**4.06**	3.53
Interest cost	**3.03**	2.76
Benefits paid	**(4.71)**	(3.57)
Actuarial (gains)/losses on obligation - due to change in demographic assumptions	**-**	0.07
Actuarial (gains)/losses on obligation - due to change in financial assumptions	**1.58**	0.56
Actuarial (gains)/losses on obligation - due to experience adjustments	**3.18**	1.86
Obligation as at the end of the year	**49.72**	42.58

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(ii) Change in the Fair Value of Plan Assets

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Fair Value of Plan Assets at the beginning of the year	36.67	33.92
Expected return on plan assets	2.61	2.51
Contributions by the Employer	5.91	3.44
Benefit Paid from the Fund	(4.71)	(3.57)
Actuarial gain/(loss) on plan assets	0.95	0.37
Fair Value of Plan Assets at the end of the year	41.43	36.67

(iii) Actual Return on Plan Assets

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expected return on Plan Assets	2.61	2.51
Actuarial gain/(loss) on Plan Assets	0.95	0.37
Actual Return on Plan Assets	3.56	2.88

(iv) Amount recognised in the Standalone Balance Sheet

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Present Value of defined benefit obligation	(49.72)	(42.58)
Fair Value of Plan Assets	41.43	36.67
Funded status [surplus/(deficit)]	(8.29)	(5.91)
Net (Liability)/Asset recognised in the Standalone Balance Sheet	(8.29)	(5.91)

(v) Expenses recognised in the Standalone Statement of Profit and Loss

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	4.06	3.53
Interest Cost	3.03	2.76
Expected Return on Plan Assets	(2.61)	(2.51)
Expenses recognised in the Standalone Statement of Profit and Loss	4.48	3.78

(vi) Expenses recognised in Standalone Other Comprehensive Income (OCI)

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial (gains)/losses on Obligation	4.76	2.49
Actuarial (gains)/losses on Plan Assets	(0.95)	(0.37)
Net (income)/expense for the year recognised in Standalone OCI	3.81	2.12

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(vii) Amount recognised in the Standalone Balance Sheet

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Liability at the end of the year	**49.72**	42.58
Fair Value of Plan Assets at the end of the year	**(41.43)**	(36.67)
Amount recognised in the Standalone Balance Sheet as Liability	**8.29**	5.91

(viii) Balance sheet reconciliation

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Net Liability as at the beginning of the year	**5.91**	3.45
Expenses recognised in the Standalone Statement of Profit and Loss	**4.48**	3.78
Expenses/(Income) recognised in Standalone OCI	**3.81**	2.12
Contributions by the Employer	**(5.91)**	(3.44)
Net Liability/(Asset) recognised in Standalone Balance Sheet	**8.29**	5.91

(ix) Investment Pattern

Particulars	% Invested	
	As at March 31, 2025	As at March 31, 2024
Insurer managed funds:		
Money Market Instruments, Public Deposits and Net Current Assets	**6.37**	2.92
Debentures/Bonds	**36.42**	36.38
Government Securities	**57.21**	60.70

(x) Actuarial Assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Expected Return on Plan Assets	**6.65%**	7.19%
Rate of Discounting	**6.65%**	7.19%
Rate of Salary Increase	**6.50%**	6.50%
Rate of Employee Turnover	**For service 4 years and below 19.02% p.a. For service 5 years and above 9.34% p.a.**	For service 4 years and below 19.02% p.a. For service 5 years and above 9.34% p.a.
Mortality Rate During Employment	**Indian Assured Lives Mortality 2012-14 (Urban)**	Indian Assured Lives Mortality 2012-14 (Urban)

(xi) The Company generally makes annual contributions to the plan based on the actuarial valuation of 'amount recognised in the Standalone Balance Sheet as Liability at the year end'.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(xii) The expected contributions to the plan for the next annual reporting period

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
The expected contributions to the plan for the next annual reporting period	3.87	5.97

(xiii) Maturity Analysis of the benefit payments

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Projected benefits payable in future years from the date of reporting		
1st Following year	5.65	4.45
2nd Following year	4.62	4.05
3rd Following year	5.57	4.77
4th Following year	5.68	4.79
5th Following year	4.64	4.78
Sum of years 6 to 10	21.56	18.85
Sum of years 11 and above	33.79	31.09

The Weighted average duration of the defined benefit obligation is 8 years (March 31, 2024: 8 years)

(xiv) Sensitivity Analysis

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Defined Benefit Obligation on Current Assumptions	49.72	42.58
Delta Effect of +1% Change in Rate of Discounting	(2.86)	(2.43)
Delta Effect of -1% Change in Rate of Discounting	3.21	2.72
Delta Effect of +1% Change in Rate of Salary Increase	3.18	2.72
Delta Effect of -1% Change in Rate of Salary Increase	(2.88)	(2.47)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.07)	0.04
Delta Effect of -1% Change in Rate of Employee Turnover	0.07	(0.05)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the Standalone Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(iii) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

(iv) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality Risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

(vi) Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

During the year, there were no plan amendments, curtailments and settlements.

Note 24 Share based payments

Accounting for Employee Share Based Payments

All the below said stock options have been granted under the Employees Stock Option Scheme 2020 ('ESOS 2020') of the Company. Each stock option represents one equity share of ₹ 5/- each. The said stock options have been granted at the market price as defined in SEBI (Share Based Employees Benefits) Regulations, 2014. Accordingly, the stock options have been granted at the latest available closing price of the shares of the Company on National Stock Exchange of India Limited on the trading day immediately preceding the date on which Grant of Options was approved by the Nomination & Remuneration Committee of the Board of Directors of the Company ('Nomination & Remuneration Committee').

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Grant Date	Number of Stock options	Exercise price (₹)	Trading day immediately preceding the grant date	Granted to
January 14, 2025	7,500	3,834.55	January 13, 2025	Eligible employees of the Company and WOS
June 07, 2024	72,000	3,760.50	June 06, 2024	
April 10, 2024	18,000	3,703.90	April 09, 2024	
January 10, 2024	38,800	3,415.25	January 09, 2024	
April 25, 2023	10,50,000	1,780.90	April 24, 2023	Eligible employees of the Company
July 21, 2022	50,000	1,921.70	July 20, 2022	
January 24, 2022	1,82,000	2,369.40	January 21, 2022	
February 22, 2021	11,45,000	2,934.25	February 19, 2021	

In terms of ESOS 2020, the options shall vest in three tranches. Each of these tranches consisting of 1/3 of the options granted shall vest on the completion of the 1st, 2nd and 3rd year from the date of the grant respectively. Any fractional residue shall be settled in the 3rd tranche. The options can be exercised over a period of five years from the date of respective vesting.

Under Employees Stock Option Scheme 2017 – Series I (ESOS 2017 – Series I), the Company had on July 28, 2017 granted 1,58,875 stock options at an exercise price of ₹ 5,353.00/- per option, representing 1,58,875 equity shares of ₹ 10/- each to few employees & directors of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Nomination & Remuneration Committee i.e. based on the Price Earning Multiple method and the Assets Under Management (AUM) method.

In terms of ESOS 2017 – Series I, the options vest over a period of 1-2 years from the date of grant. The options can be exercised over a period of five years from the date of vesting.

Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc., the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination and Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and now each option represents one equity share of ₹ 5/- each.

Comparison of exercise price per option:

₹

Name of the Series	Pre corporate action	Post corporate action
ESOS 2017 Series I	5,353.00	669.13

No modifications were made in the terms and conditions of ESOS during the year.

The number of options vested during the year were 4,04,518 (Previous Year 4,32,936)

Notes to Standalone Financial Statements

for the year ended March 31, 2025

For the year ended March 31, 2025

Particulars	Outstanding at the beginning of the year*	Granted during the year*	Exercised during the year*	Forfeited during the year*	Expired during the year*	Outstanding at the end of the year*	Exercisable at the end of the year*	For options outstanding at the end of the year	
								Exercise price per option (₹)	Weighted average remaining contractual life (no. of years)
ESOS 2020 (Grant Date January 14, 2025)	Nil	7,500	Nil	Nil	Nil	7,500	Nil	3,834.55	6.80
ESOS 2020 (Grant Date June 07, 2024)	Nil	72,000	Nil	Nil	Nil	72,000	Nil	3,760.50	6.19
ESOS 2020 (Grant Date April 10, 2024)	Nil	18,000	Nil	Nil	Nil	18,000	Nil	3,703.90	6.03
ESOS 2020 (Grant Date January 10, 2024)	38,800	Nil	Nil	8,250	Nil	30,550	10,183	3,415.25	5.78
ESOS 2020 (Grant Date April 25, 2023)	9,80,400	Nil	1,52,418	68,335	Nil	7,59,647	1,71,851	1,780.90	5.23
ESOS 2020 (Grant Date July 21, 2022)	50,000	Nil	13,334	Nil	Nil	36,666	20,000	1,921.70	4.49
ESOS 2020 (Grant Date January 24, 2022)	1,82,000	Nil	43,334	10,000	Nil	1,28,666	1,28,666	2,369.40	3.95
ESOS 2020 (Grant Date February 22, 2021)	10,65,000	Nil	1,00,000	Nil	Nil	9,65,000	9,65,000	2,934.25	2.90

For the year ended March 31, 2024

Particulars	Outstanding at the beginning of the year*	Granted during the year*	Exercised during the year*	Forfeited during the year*	Expired during the year*	Outstanding at the end of the year*	Exercisable at the end of the year*	For options outstanding at the end of the year	
								Exercise price per option (₹)	Weighted average remaining contractual life (no. of years)
ESOS 2020 (Grant Date January 10, 2024)	Nil	38,800	Nil	Nil	Nil	38,800	Nil	3,415.25	6.78
ESOS 2020 (Grant Date April 25, 2023)	Nil	10,50,000	Nil	69,600	Nil	9,80,400	Nil	1,780.90	6.07
ESOS 2020 (Grant Date July 21, 2022)	50,000	Nil	Nil	Nil	Nil	50,000	16,667	1,921.70	5.31
ESOS 2020 (Grant Date January 24, 2022)	1,82,000	Nil	Nil	Nil	Nil	1,82,000	1,21,334	2,369.40	4.82
ESOS 2020 (Grant Date February 22, 2021)	10,65,000	Nil	Nil	Nil	Nil	10,65,000	10,65,000	2,934.25	3.90
ESOS 2017 (Series I)	59,484	Nil	59,284	Nil	200	Nil	Nil	Nil	Nil

* Since all the options were granted at the same exercise price per option under the respective Series/Grant, the weighted average exercise price per option for all these groups under the respective Series/Grant is the same.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Total expense arising from equity settled share based payment transaction for the stock options granted to the eligible employees of the Company, amounting to ₹ 22.49 Crore (Previous Year ₹ 47.05 Crore) has been charged to Standalone Statement of Profit and Loss. Further, the cost of stock options granted to the eligible employees of WOS, amounting to ₹ 0.03 Crore (Previous Year ₹ Nil) is recognised as a capital contribution to the subsidiary.

The weighted average share price for options exercised during the year under various Series'/Grants was ₹ 4,122.11 (Previous Year ₹ 1,964.13)

Fair value methodology

The fair value of options used to compute net income and earnings per equity share has been estimated on the date of grant using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value under ESOS 2017 – Series I and ESOS 2020 as on the date of grant were:

Particulars	Risk-free interest rate	Expected average life	Expected volatility	Dividend yield	Fair value of the option (₹)	Fair value of the option after corporate action (₹)
ESOS 2020 (Grant Date January 14, 2025)	6.49% - 6.51 % p.a.	3.5 - 5.5 Years	28.85% - 32.92%	2.16% p.a.	1,133.03	NA
ESOS 2020 (Grant Date June 07, 2024)	6.68% - 6.70 % p.a.	3.5 - 5.5 Years	29.79% - 32.76%	1.75% p.a.	1,201.01	NA
ESOS 2020 (Grant Date April 10, 2024)	6.77% - 6.80 % p.a.	3.5 - 5.5 Years	27.89% - 31.93%	1.75% p.a.	1,162.11	NA
ESOS 2020 (Grant Date January 10, 2024)	6.78% - 6.82 % p.a.	3.5 - 5.5 Years	27.75% - 33.03%	1.75% p.a.	1,084.43	NA
ESOS 2020 (Grant Date April 25, 2023)	6.66% - 6.76 % p.a.	3.5 - 5.5 Years	34.00% - 34.54%	2.48% p.a.	557.31	NA
ESOS 2020 (Grant Date July 21, 2022)	6.74% - 6.96 % p.a.	3.5 - 5.5 Years	34.68% - 36.41%	1.18% p.a.	699.71	NA
ESOS 2020 (Grant Date January 24, 2022)	5.34% - 5.98 % p.a.	3.5 - 5.5 Years	33.91% - 35.52%	0.92% p.a.	826.26	NA
ESOS 2020 (Grant Date February 22, 2021)	5.04% - 5.66 % p.a.	3.5 - 5.5 Years	36.10% - 37.08%	0.84% p.a.	1,053.40	NA
ESOS 2017 (Series I)	6.66% p.a.	3.5 Years	0%	1.86% p.a.	777.00	97.13

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black - Scholes Model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

As on the date of grant in case of ESOS 2017–Series I, the Company being an unlisted company and in the absence of listed comparable companies, volatility had been considered to be Nil.

As on the respective dates of grant in case of ESOS 2020, wherever the trading history of the Company and/or its comparable company(s) listed on the Stock exchange were less than the life of the option, Nifty Financial Services Index was also considered for deriving the volatility.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 25 Tax expense

Components of Income Tax Expense

(a) Amounts recognised in the Standalone Statement of Profit and Loss

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current income tax	**730.17**	517.52
	730.17	**517.52**
Deferred Tax Charge/(Credit)		
Origination and reversal of temporary differences*	**95.22**	14.79
	95.22	**14.79**
Income Tax expense for the year	**825.39**	**532.31**

(b) Tax on amounts recognised in Standalone Other Comprehensive Income

₹ (in Crore)

Particulars	Tax (expense)/benefit	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Remeasurement of the defined benefit plans	**0.96**	0.54
Fair value changes in debt instruments through Other Comprehensive Income (OCI)	**(0.02)**	-
Total	**0.94**	**0.54**

(c) Reconciliation of Effective Tax Rate

₹ (in Crore)

Reconciliation between the statutory Income tax rate applicable to the Company and the effective Income tax rate of the Company	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	**3,286.44**	2,478.19
Company's domestic tax rate	**25.17%**	25.17%
Tax using the Company's domestic tax rate	**827.13**	623.71
Tax effect of/on:		
Net expenses that are not deductible in determining taxable profit	**14.38**	18.53
Items which are taxed at different rates*	**(12.01)**	(103.64)
Incomes which are exempt from tax	**(4.23)**	(6.33)
Others	**0.12**	0.04
Total	**(1.74)**	**(91.40)**
Income Tax expense for the year	**825.39**	**532.31**

* As per Finance (No.2) Act 2024, enacted in August 2024, the rates at which capital gains were taxed had changed and indexation benefit had also been withdrawn while calculating long term capital gains on investments. Consequently, the Deferred Tax Liability recognised by the Company on fair value gains on its investments as on March 31, 2024 has increased by ₹ 43.67 Crore thereby resulting in an additional charge on the Profit After Tax of the Company for year ended March 31, 2025.

(d) Effective Tax Rate

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Effective Tax Rate (%)	**25.12**	21.48

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(e) Significant components and movement in deferred tax assets and liabilities:

₹ (in Crore)

Particulars	As at April 01, 2024	Charge/(Credit) recognised	Recognised in OCI	As at March 31, 2025
Deferred Tax Assets				
- Property, Plant and Equipment & Other Intangible Assets (excluding ROU)	**11.83**	**0.33**	**-**	**11.50**
- Lease Liabilities	**31.44**	**(4.69)**	**-**	**36.13**
- Employee Benefits	**4.12**	**(6.87)**	**-**	**10.99**
- Others	**1.81**	**(0.35)**	**-**	**2.16**
Total Deferred Tax Assets	**49.20**	**(11.58)**	**-**	**60.78**
Deferred Tax Liabilities				
- Right of Use Asset (ROU)	**28.30**	**5.15**	**-**	**33.45**
- Prepaid Employee Benefits	**0.24**	**0.26**	**-**	**0.50**
- Fair value gains/losses and impairment on Investments	**133.12**	**101.45**	**0.02**	**234.59**
- Others	**3.10**	**(0.06)**	**-**	**3.04**
Total Deferred Tax Liabilities	**164.76**	**106.80**	**0.02**	**271.58**
Net Deferred Tax Assets/(Liabilities)	**(115.56)**	**95.22**	**0.02**	**(210.80)**

₹ (in Crore)

Particulars	As at April 01, 2023	Charge/(Credit) recognised	Recognised in OCI	As at March 31, 2024
Deferred Tax Assets				
- Property, Plant and Equipment & Other Intangible Assets (excluding ROU)	10.99	(0.84)	-	11.83
- Lease Liabilities	32.83	1.39	-	31.44
- Employee Benefits	3.16	(0.96)	-	4.12
- Others	1.32	(0.49)	-	1.81
Total Deferred Tax Assets	**48.30**	**(0.90)**	**-**	**49.20**
Deferred Tax Liabilities				
- Right of Use Asset (ROU)	29.63	(1.33)	-	28.30
- Prepaid Employee Benefits	1.13	(0.89)	-	0.24
- Fair value gains/losses and impairment on Investments	115.90	17.22	-	133.12
- Others	2.41	0.69	-	3.10
Total Deferred Tax Liabilities	**149.07**	**15.69**	**-**	**164.76**
Net Deferred Tax Assets/(Liabilities)	**(100.77)**	**14.79**	**-**	**(115.56)**

Note:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 26 Related Party Transactions

As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), the related parties of the Company with whom there have been transactions during the current/previous year, are as follows:

Sr. No.	Relationship	Name of the Parties
1	Holding Company	HDFC Bank Limited from July 01, 2023 (Housing Development Finance Corporation Limited up to June 30, 2023) [$]
2	Subsidiary Company	HDFC AMC International (IFSC) Limited
3	Fellow Subsidiaries	HDFC Trustee Company Limited
		HDFC Life Insurance Company Limited
		HDFC ERGO General Insurance Company Limited
		HDFC Securities Limited (from July 01, 2023)
4	Investor with a significant influence	Abrdn Investment Management Limited (formerly known as Standard Life Investments Limited) (up to June 20, 2023) [$]
5	Other Related Parties	HDFC Bank Limited (Associate of Holding Company - up to June 30, 2023) [$]
		HDFC Securities Limited (Subsidiary of HDFC Bank Limited - up to June 30, 2023)
		HDFC Asset Management Company Limited Employees' Group Gratuity Assurance Scheme (post-employment benefit plan of the Company)
6	Key Management Personnel (KMP)	Deepak S Parekh
		Navneet Munot
		Keki Mistry (up to June 26, 2023)
		Dhruv Kaji
		Jairaj Purandare
		Sanjay Bhandarkar
		Parag Shah
		Renu S Karnad
		Roshni Nadar Malhotra
		V Srinivasa Rangan (from January 12, 2024)
7	Key Management Personnel of Holding Company (except covered in Sr No. 6)	V Srinivasa Rangan (up to June 30, 2023 and from November 23, 2023)
		Keki Mistry (from July 01, 2023)
		Kaizad Maneck Bharucha (from July 01, 2023)
		Bhavesh Zaveri (from July 01, 2023)
8	Close Family Members of Company's Key Management Personnel and Holding Company's Key Management Personnel	Smita Deepak Parekh
		Aditya Deepak Parekh
		Harsha Shantilal Parekh
		Siddharth Deepak Parekh
		Arnaaz Keki Mistry
		Bharat Karnad
		Ashok Sud
		V Jayam (up to June 30, 2023 and from November 23, 2023)
		S Anuradha (up to June 30, 2023 and from November 23, 2023)
		Abinaya Rangan (up to June 30, 2023 and from November 23, 2023)
		Niharika B Zaveri (from July 01, 2023)
		Mahesh Babu Ramamurthy (from July 01, 2023)
		Devesh Bhanwala (from January 25, 2024)

[$] see note 1 - Company overview

All the transactions with related parties are on arm's length basis. The terms and conditions of these transactions were no more favourable than those available, or those which might reasonably be expected to be available, in similar transactions with non-related parties on an arm's length basis. None of the balances are secured and the settlement of the same will be done in the form of cash or by providing/receiving services as applicable, in the ordinary course of business. The nature and volume of transactions of the Company during the current/previous year with the above related parties were as follows:

(a) Details of transactions

₹ (in Crore)

Particulars	Holding Company		Subsidiary Company		Fellow Subsidiaries		Investor with a Significant Influence		Other Related Parties	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Expense										
Lease Rent	12.11	11.99	-	-	-	-	-	-	-	-
Bank Charges	0.00	0.00	-	-	-	-	-	-	-	0.00
Fees and Commission	2.14	0.51	-	-	0.31	0.22	-	-	-	0.10
Administration & Other Expenses	2.37	2.37	-	-	-	-	-	-	-	-
Insurance Premium	-	-	-	-	4.75	3.97	-	-	-	-
Trademark Licence Fees	13.17	7.56	-	-	-	-	-	-	-	-
Custodian Charges	0.06	0.02	-	-	-	-	-	-	-	0.01
Other Transactions										
Equity Dividend	785.26	538.46	-	-	-	-	-	104.54	-	-
Investments made	-	-	-	31.00	-	-	-	-	-	-
Contribution towards Gratuity Fund	-	-	-	-	-	-	-	-	5.91	3.44
Insurance Claim received on behalf of employees	-	-	-	-	-	0.38	-	-	-	-
Reimbursement of Expenses incurred by the Company	-	-	-	0.80	-	-	-	-	-	-
Recovery of Trademark Licence Fees paid by the Company to Holding Company	-	-	0.00	-	-	-	-	-	-	-
Capital contribution on account of grant of ESOPs	-	-	0.03	-	-	-	-	-	-	-
Asset										
Bank Balances	12.45	10.89	-	-	-	-	-	-	-	-
Advance for Expenses	-	-	-	-	2.72	3.04	-	-	-	-
Account Receivable	-	-	0.00	-	-	-	-	-	-	-
Prepaid Commission	1.37	1.38	-	-	2.48	2.75	-	-	-	-
Prepaid Insurance Premium	-	-	-	-	0.04	0.03	-	-	-	-
Security Deposit	0.47	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	34.03	34.00	-	-	-	-	-	-
Liability										
Account Payable	3.13	2.71	-	-	0.02	0.01	-	-	-	-

Note:

The Company provides the necessary operating and secretarial services, etc. to HDFC Trustee Company Limited to meet the operating and compliance requirements of the company in line with SEBI (Mutual Funds) Regulations, 1996. The Company does not charge any amount in line with practice followed by the mutual fund industry.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(b) Details of remuneration to Company's KMPs

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(A) Managing Director & Chief Executive Officer		
Short term employee benefits#	**9.00**	11.98
Post employment benefits	**0.37**	0.31
Other long term benefits	**0.12**	0.09
Share based payment	**1.13**	11.37
Other benefits	**0.07**	0.07
Total (A)	**10.69**	**23.82**
(B) Other Directors		
Directors Sitting Fees	**1.42**	1.58
Commission to Non Executive Directors*	**2.10**	1.81
Other benefits	**-**	0.02
Total (B)	**3.52**	**3.41**
Total Remuneration (A+B)	**14.21**	**27.23**

During the FY 20-21, an amount of ₹ 12.46 Crore was paid to the incoming Managing Director & Chief Executive Officer as one time payment and the same was being amortised as per the terms of the contract. Out of the same, Nil (Previous Year ₹ 3.66 Crore) forms part of Short term employee benefits above.

* Commission is approved by the Board of Directors within the limit as approved by the shareholders of the Company and will be paid post adoption of annual accounts by the shareholders.

(c) Details of dividend paid to Company's KMPs

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend on Equity Shares	**2.90**	2.70

(d) Details of dividend paid to close family members of Company's KMPs, Holding Company's KMPs and close family members of Holding Company's KMPs

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend on Equity Shares	**0.73**	0.02

Note 27 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit after tax for the year attributable to equity shareholders of the Company adjusted for the effects of all dilutive potential ordinary shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There is no effect of dilutive potential ordinary shares on profit after tax for the year attributable to equity shareholders of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

The relevant details as described above are as follows:

₹ (in Crore except equity share data)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax for the year (numerator for calculating Basic and Diluted EPS)	**2,461.05**	1,945.88
Weighted Average equity shares outstanding during the year	**21,36,34,816**	21,34,72,759

Following is the reconciliation between basic and diluted earnings per equity share:

₹

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Nominal value per share	**5.00**	5.00
Basic earnings per share	**115.20**	91.15
Effect of potential equity shares for stock options (per share)	**(0.41)**	(0.11)
Diluted earnings per share	**114.79**	91.04

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Weighted average number of equity shares used in computing basic earnings per equity share	**21,36,34,816**	21,34,72,759
Effect of potential equity shares for stock options outstanding	**7,65,889**	2,65,475
Weighted average number of equity shares used in computing diluted earnings per equity share	**21,44,00,705**	21,37,38,234
Weighted average number of anti dilutive options not considered in computing diluted earnings per equity share	**5,893**	84,131

Note 28 Leases

A. The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. Right of Use asset has been included under the line 'Property, Plant and Equipment' and Lease liabilities has been included under 'Other Financial Liabilities' in the Standalone Balance Sheet.

(i) Amounts recognised in the Standalone Balance sheet

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Right of Use assets (net) (Property, Plant and Equipment)	**132.88**	112.42
(b) Lease liabilities		
Current	**31.29**	37.18
Non-current	**112.29**	87.77
Total Lease liabilities	**143.58**	**124.95**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(c) Additions to the Right of Use assets	**68.21**	34.61

(ii) Amounts recognised in the Standalone Statement of Profit and Loss

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Depreciation charge for Right of Use assets	**41.13**	38.02
(b) Interest expense (included in finance cost)	**9.41**	9.09
(c) Expense relating to short-term leases	**1.52**	0.60

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(iii) Cash Flows

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
The total cash outflow of leases	**49.35**	45.50

(iv) Future Commitments

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Future undiscounted lease payments to which leases is not yet commenced	**36.51**	11.58

(v) Maturity analysis of undiscounted lease liabilities

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Before 3 months	**10.97**	11.37
3 – 6 months	**10.34**	11.33
6 – 12 months	**19.28**	22.45
1 – 3 years	**61.59**	54.20
3 – 5 years	**36.96**	30.65
Above 5 years	**36.88**	18.51
Total	**176.02**	**148.51**

(vi) All the future cash flows to which the lessee is potentially exposed are reflected in the measurement of lease liabilities.

(vii) The Company currently does not have any sale and lease back transactions.

B. Finance Lease

(i) The Company has provided vehicles to certain employees which have been treated as finance leases.

₹ (in Crore)

Quantitative Disclosures	For the year ended March 31, 2025	For the year ended March 31, 2024
Selling profit/(loss)	**(0.02)**	(0.01)
Finance income on the net investment in the lease	**0.85**	0.73
Lease income relating to variable lease payments not included in the measurement of the net investment in the lease	**-**	-

(ii) Significant changes in the carrying amount of the net investment in the lease

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Lease receivables as at the beginning of the year	**9.45**	6.95
Add : Finance income on the net investment in the lease	**0.85**	0.73
Add : New leases entered during the year	**4.08**	5.84
Less : Lease payments received during the year	**4.95**	4.07
Lease receivables as at the end of the year	**9.43**	**9.45**

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(iii) The following table sets out a maturity analysis of lease receivables:

₹ (in Crore)

Maturity Analysis of the Lease payments Receivables	As at March 31, 2025	As at March 31, 2024
Particulars	Minimum Lease payments receivables	Minimum Lease payments receivables
Less than one year	4.63	4.04
One to two years	3.35	3.60
Two to three years	2.07	2.18
Three to four years	0.48	0.87
Four to five years	-	-
More than five years	-	-
Total undiscounted lease payments receivable	**10.53**	**10.69**
Less: unearned finance income	1.10	1.24
Present value of lease receivables*	**9.43**	**9.45**

* Present value of lease receivables represent the Current Future Outstanding Principal

(iv) Risk Management Framework for finance leases

The table represents categories of collaterals available against the finance lease exposures:

₹ (in Crore)

Particulars	Collateral available	As at March 31, 2025	As at March 31, 2024
Finance lease receivables	Hypothecation of the underlying car financed	9.43	9.45

The Company has framed Car Policy to provide use of the Company owned car for the commute from residence to workplace, for the discharge of their official functions and for personal use to certain selected employees of the Company. As per the Car Policy of the Company, the car is registered in the name of the Company and will remain the property of the Company till it is duly transferred to employee in accordance with the Car Policy and after recovery of all lease receivables. In case of separation of employee from the Company, outstanding lease receivables are recovered/adjusted from employee's full and final settlement in accordance with the Car Policy.

Note 29 Segment Information

(a) Description of segments and principal activities

The Company is in the business of providing asset management services to HDFC Mutual Fund & alternative investment funds and portfolio management & advisory services to clients. The Company's financial statements are largely reflective of the asset management business and accordingly there are no separate reportable segments as per Ind AS 108, Operating Segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the entity and assess the performance of the operating segment of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(b) Segment Revenue

The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

₹ (in Crore)

Revenue	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	**3,497.99**	2,584.37
Outside India	**0.04**	-
Total	**3,498.03**	**2,584.37**

(c) All assets of the Company are domiciled in India.

(d) Information about revenue from major customers

There is only one customer contributing in excess of 10% of the total revenue of the Company. The amounts for the same are as follows:

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from HDFC Mutual Fund	**3,481.91**	2,580.60

Note 30 Contingent Liabilities and Commitments

₹ (in Crore)

Particulars			As at March 31, 2025	As at March 31, 2024
(a)	Contingent liabilities:			
	-	Claims against the Company not acknowledged as debt:		
		(i) Disputed Income Tax demand	**7.54**	7.54
		(ii) Disputed Goods and Services Tax demand	**0.20**	0.18
(b)	Commitments:			
	(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**5.68**	13.64
	(ii)	Uncalled liability on shares and other investments partly paid	**321.62**	275.02

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 31 Trade Payables

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro and Small enterprises, which have registered with the competent authorities.

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount remaining unpaid to any supplier as at the year end	**1.73**	1.08
Interest due thereon	**Nil**	Nil
Amount of interest paid by the Company in terms of Section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	**Nil**	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	**Nil**	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	**Nil**	Nil

Dues to Micro and Small Enterprises have been determined on the basis of information collected by the Company.

Note 32 Corporate Social Responsibility (CSR) Expense

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility as per Section 135(5) of the Companies Act, 2013 is as follows:

₹ (in Crore)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i)	Gross amount required to be spent by the Company during the year	**34.59**	31.29
(ii)	Amount approved by the Board to be spent during the year	**34.59**	31.29

(iii) Amount spent

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount spent during the year on creation/acquisition of any asset	**-**	-
Amount spent during the year on purposes other than creation/acquisition of any asset and charged to the Standalone Statement of Profit and Loss*	**34.59**	31.29
Total	**34.59**	**31.29**

*This also includes the amount for Administrative overheads and Impact assessment.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(iv) Details of CSR Activities for the financial year ended March 31, 2025

Details of Other than Ongoing CSR Projects

Organisation	Purpose
Indian Cancer Society – Cancer Cure Fund	To promote healthcare by providing financial aid for treatment of underprivileged and low-income patients diagnosed with any curable/early detected cancers through the empaneled hospitals.
Indian Cancer Society – AKITF	To promote healthcare by providing financial aid to underprivileged and low-income patients who are unable to afford the initial costs of diagnosis and or treatment for cancer through the empaneled hospitals.
Dharamshala Project	To promote healthcare by providing support to the Dharamshala Project for affordable accommodation to out-station cancer patients of TATA Memorial Hospital and their families.
Akshaya Patra Foundation	To promote education and eradication of malnutrition by providing mid-day meals to the Government school children and thereby eradicate class-room hunger and malnutrition.
St. Jude's India	Home away from Home" for families whose children are undergoing treatment for cancer in major cities of India.
Udhavum Ullangal Public Charitable Trust	To promote healthcare by providing financial aids for construction of Nellai Cancer Hospital in Tamil Nadu.
King George V Memorial Trust	To promote healthcare by providing financial aids to purchase of an ambulance for Palliative Care Centre.
Deepsikha	To promote healthcare by providing financial aid towards operations of buses for cancer patients.
Parivaar Education Society	To eradicate malnutrition and promote education for children by establishing Seva Kutirs in the villages of Madhya Pradesh. The Funds would be utilised towards the operation of 85 Seva Kutirs.
Ashoka University	To promote education by providing support towards infrastructure.
Bombay Scottish Orphanage Society	To promote education by providing financial aids for construction of Bombay Scottish school building at Mahim.
Snehalaya	To promote education by supporting providing financial aid for educational of underprivileged children.
Catalysts for Social Action	To promote education by providing comprehensive support, focusing on physical, emotional, personal, and spiritual well-being, and learning of children.
Urban Forest Project (Biodiversity Park)	To promote environmental sustainability and ecological balance through Urban Forest using Akira Miyawaki technique and rejuvenating the water body part of the project site.
Olympic Gold Quest	To promote Olympic and Paralympic sports by providing financial support for coaching & sporting equipment for athletes.
Prime Minister's Internship Scheme	To provide internship opportunity for youth to gain exposure to real life business environment and employability skills.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(v) Details of CSR Activities for the financial year ended March 31, 2024

Details of Other than Ongoing CSR Projects

Organisation	Purpose
Indian Cancer Society – Cancer Cure Fund	To promote healthcare by providing financial aid for treatment of underprivileged and low-income patients diagnosed with any curable/early detected cancers through the empaneled hospitals.
Indian Cancer Society – AKITF	To promote healthcare by providing financial aid to underprivileged and low-income patients who are unable to afford the initial costs of diagnosis and or treatment for cancer through the empaneled hospitals.
Deepsikha	To promote healthcare by providing financial aid towards operations of buses for cancer patients.
Dharamshala Project	To promote healthcare by providing support to the Dharamshala Project for free accommodation to out-station cancer patients and their families through the Rotary Club of Bombay.
Kanchi Kamakoti CHILDS Trust Hospital	To promote healthcare by supporting for the cost of medical equipment required for the Pediatric and Neonatal Intensive Care Units.
Parivaar Education Society	To eradicate malnutrition and promote education for children by establishing Seva Kutirs in the villages of Madhya Pradesh. The Funds would be utilised towards the operation of 60 Seva Kutirs.
Muktangan	To promote education by supporting a holistic educational program designed for children through community participation.
Urban Forest Project (Biodiversity Park)	To promote environmental sustainability and ecological balance through Urban Forest using Akira Miyawaki technique and rejuvenating the water body part of the project site.
Olympic Gold Quest	To promote sports by providing training in nationally recognised paralympic and Olympic sports.
Sampark Foundation	Transforming the learning outcome of school children by partnering with 4,781 schools and teachers by using the Sampark Smartshala program to teach Maths and English.
Akshay Patra	Provide mid-day meals to the Government school children and thereby eradicate class room hunger and malnutrition.

(vi) Contribution for CSR

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance:		
- With Company	-	-
- In Separate CSR Unspent A/c	-	-
Amount Transferred in Separate CSR Unspent A/c during the year		
- From balance with the Company	-	-
- To Separate CSR Unspent A/c	-	-
Amount required to be spent during the year as per Section 135 (5) of the Companies Act, 2013	**34.59**	31.29
Amount spent during the year:		
- From Company's bank A/c	**34.59**	31.29
- From Separate CSR Unspent A/c	-	-
Closing Balance:		
- With Company	-	-
- In Separate CSR Unspent A/c	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(vii) Excess amount spent

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	-	-
Amount required to be spent during the year	34.59	31.29
Amount spent during the year	34.59	31.29
Closing Balance	-	-

Note 33 Dividend Paid and Proposed

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividends on equity shares declared and paid during the year:		
Final dividend*		
Paid for the earlier financial year	-	1,024.65
Dividend per share for the earlier financial year (₹)	-	48.00
Interim dividend*		
Paid for the earlier financial year	1,495.05	-
Dividend per share for the earlier financial year (₹)	70.00	-
Total dividend paid	**1,495.05**	**1,024.65**
Dividend on Equity Shares proposed by the Board of Directors for approval at Annual General Meeting (not recognised as a liability at the respective year end)		
Final dividend for the same financial year*	1,924.14	1,494.39
Dividend per share for the same financial year (₹)*	90.00	70.00

*During the year ended March 31, 2025, the Company had declared and paid an interim dividend of ₹ 70 per equity share (face value of ₹ 5 each) for the year ended March 31, 2024 as approved by its Board of Directors at the meeting held on June 07, 2024 instead of the final dividend as proposed earlier on April 19, 2024. The same has also been confirmed by the Shareholders of the Company at the Annual General Meeting held on July 25, 2024.

Note 34 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital in a manner which enables it to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through operating cash flows and other equity. The management monitors the return on capital and the board of directors monitors the level of dividends paid to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. As of March 31, 2025 and March 31, 2024, the Company has only one class of equity shares and has no debt. In the absence of any debt, the monitoring of debt equity ratio may not be appropriate for the Company. As of March 31, 2025 the Equity Share Capital is ₹ 106.90 Crore (Previous Year: ₹ 106.74 Crore) and Other Equity is ₹ 8,027.24 Crore (Previous Year: ₹ 6,972.33 Crore). Certain minimum networth requirements for the business have been laid down by SEBI. The same is monitored on regular basis and have been complied with.

Note 35 Financial Instruments

A. Classification and Fair Values of Financial Assets & Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

₹ (in Crore)

Particulars	Carrying Amount				Fair Value			
As at March 31, 2025	FVTPL	FVOCI	Amortised Cost	Total Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in: #								
Mutual Funds	7,507.56	-	-	7,507.56	7,322.68	184.88	-	7,507.56
Debt Securities	8.39	100.74	261.45	370.58	-	373.71	8.39	382.10
Equity Instruments	24.40	-	-	24.40	-	-	24.40	24.40
Alternative Investment Funds	345.66	-	-	345.66	-	37.42	308.24	345.66
Venture Capital Fund	6.64	-	-	6.64	-	-	6.64	6.64
Trade & Other Receivables*	-	-	145.02	145.02				145.02
Cash and Cash Equivalents*	-	-	11.58	11.58				11.58
Other Bank Balances*	-	-	1.17	1.17				1.17
Other Financial Asset*	-	-	27.76	27.76				27.76
Total	7,892.65	100.74	446.98	8,440.37	7,322.68	596.01	347.67	8,451.89
Financial Liabilities								
Trade Payables*	-	-	39.56	39.56				39.56
Other Financial Liabilities								
Lease Liabilities	-	-	143.58	143.58	-	145.53	-	145.53
Others*	-	-	101.06	101.06				101.06
Total Other Financial Liabilities	-	-	244.64	244.64	-	145.53	-	246.59
Total	-	-	284.20	284.20	-	145.53	-	286.15

Notes to Standalone Financial Statements

for the year ended March 31, 2025

₹ (in Crore)

Particulars	Carrying Amount				Fair Value			
As at March 31, 2024	FVTPL	FVOCI	Amortised Cost	Total Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in: #								
Mutual Funds	6,648.64	-	-	6,648.64	6,477.06	171.58	-	6,648.64
Debt Securities	8.22	-	263.50	271.72	-	280.42	8.22	288.64
Equity Instruments	24.27	-	-	24.27	-	-	24.27	24.27
Alternative Investment Funds	206.07	-	-	206.07	-	34.78	171.29	206.07
Venture Capital Fund	5.33	-	-	5.33	-	-	5.33	5.33
Trade & Other Receivables*	-	-	106.45	106.45				106.45
Cash and Cash Equivalents*	-	-	10.21	10.21				10.21
Other Bank Balances*	-	-	0.96	0.96				0.96
Other Financial Asset*	-	-	21.16	21.16				21.16
Total	**6,892.53**	**-**	**402.28**	**7,294.81**	**6,477.06**	**486.78**	**209.11**	**7,311.73**
Financial Liabilities								
Trade Payables*	-	-	38.79	38.79				38.79
Other Financial Liabilities								
Lease Liabilities	-	-	124.95	124.95	-	125.92	-	125.92
Others*	-	-	81.84	81.84				81.84
Total Other Financial Liabilities	**-**	**-**	**206.79**	**206.79**	**-**	**125.92**	**-**	**207.76**
Total	**-**	**-**	**245.58**	**245.58**	**-**	**125.92**	**-**	**246.55**

Investment in subsidiary which are carried at cost have not been included above.

*Fair value of cash and cash equivalents, other bank balances, trade & other receivables, other financial assets, trade payables and other financial liabilities (excluding lease liabilities) approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

For the purpose of disclosure, quoted price is considered as the fair value of financial assets that are measured at amortised cost. However, they are shown under level 2 in the fair value hierarchy as they are thinly traded.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

B. Fair value hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

The hierarchy used is as follows:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Investment in open ended Mutual Funds are included in Level 1.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Lease liabilities and Investment in close ended Mutual Funds, Alternative Investment Fund and Debt Securities that are not traded in active market are included in Level 2.

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Investment in unlisted Debt Securities, unlisted Equity Instruments, Alternative Investment Funds and Venture Capital Fund are included in Level 3.

C. Valuation techniques used to determine fair value

Financial instrument	Valuation technique
Mutual Funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed/quoted price
Debt Securities	Discounted cash flow based on present value of the expected future economic benefit/quoted price
Equity Instruments	Underlying Asset Approach/Discounted cash flow based on present value of the expected future economic benefit
Alternative Investment Funds and Venture Capital Fund	Net Asset Value (NAV) provided by issuer fund which is arrived based on valuation from independent valuer for unlisted portfolio companies, quoted price of listed portfolio companies and price of recent investments
Lease Liabilities	Discounted cash flows based on present value of expected payments, discounted using a risk-adjusted discount rate

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies (including unlisted portfolio companies of venture capital fund and alternative investment funds) on a regular basis by tracking their latest available information, valuation report of independent valuers, recent transaction results, investor reports etc. which are considered in valuation process.

The finance department of the Company includes the team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair value. The team reports directly to the Chief Financial Officer (CFO) of the Company. Discussions of valuation processes and results are held between the valuation team and the senior management at least once every three months which is in line with the Company's quarterly reporting periods.

D. Valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

As at March 31, 2025

Financial Instrument	Significant unobservable inputs	Probability weights/range	Sensitivity of input to fair value measurement
Debt Securities	Valuation Factor	10% - 20%	A 10% increase in the valuation factor would decrease the carrying value of investment by ₹ 0.84 Crore. A 10% decrease in the valuation factor would increase the carrying value of investment by ₹ 0.84 Crore.
Equity Instruments	Valuation Factor	10% - 20%	A 10% increase in the valuation factor would decrease the carrying value of investment by ₹ 2.44 Crore. A 10% decrease in the valuation factor would increase the carrying value of investment by ₹ 2.44 Crore.
Alternative Investment Funds	Net Asset Value (NAV)	0.90x -1.10x	A 10% increase in the NAV would increase the carrying value of investment by ₹ 30.83 Crore. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 30.83 Crore.
Venture Capital Fund	Net Asset Value (NAV)	0.90x -1.10x	A 10% increase in the NAV would increase the carrying value of investment by ₹ 0.66 Crore. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 0.66 Crore.

As at March 31, 2024

Financial Instrument	Significant unobservable inputs	Probability weights/range	Sensitivity of input to fair value measurement
Debt Securities	Valuation Factor	10% - 20%	A 10% increase in the valuation factor would decrease the carrying value of investment by ₹ 0.82 Crore. A 10% decrease in the valuation factor would increase the carrying value of investment by ₹ 0.82 Crore.
Equity Instruments	Valuation Factor	10% - 20%	A 10% increase in the valuation factor would decrease the carrying value of investment by ₹ 2.43 Crore. A 10% decrease in the valuation factor would increase the carrying value of investment by ₹ 2.43 Crore.
Alternative Investment Funds	Net Asset Value (NAV)	0.90x -1.10x	A 10% increase in the NAV would increase the carrying value of investment by ₹ 17.13 Crore. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 17.13 Crore.
Venture Capital Fund	Net Asset Value (NAV)	0.90x -1.10x	A 10% increase in the NAV would increase the carrying value of investment by ₹ 0.53 Crore. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 0.53 Crore.

E. Fair value measurement using significant unobservable inputs (level 3)

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

₹ (in Crore)

Particulars	Debt Securities	Equity Instruments	Alternative Investment Funds	Venture Capital Fund	Total
Balance as at April 01, 2023	**7.41**	**23.18**	**127.57**	**23.20**	**181.36**
Net gain/(losses) on Financial Instruments recognised in the Standalone Statement of Profit and Loss	0.81	1.09	11.45	(7.21)	6.14
Purchases of Financial Instruments	-	-	61.90	-	61.90
Sales of Financial Instruments	-	-	(29.63)	(10.66)	(40.29)
Balance as at March 31, 2024	**8.22**	**24.27**	**171.29**	**5.33**	**209.11**
Net gain/(losses) on Financial Instruments recognised in the Standalone Statement of Profit and Loss	**0.17**	**0.13**	**4.31**	**1.31**	**5.92**
Purchases of Financial Instruments	**-**	**-**	**147.98**	**-**	**147.98**
Sales of Financial Instruments	**-**	**-**	**(15.34)**	**-**	**(15.34)**
Balance as at March 31, 2025	**8.39**	**24.40**	**308.24**	**6.64**	**347.67**

Notes to Standalone Financial Statements

for the year ended March 31, 2025

F. Financial Risk Management

Risk management is an integral part of the business practices of the Company. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The financial risks are managed in accordance with the Company's policy on enterprise risk management which has been approved by its Board of Directors. The Company's Board of Directors has ultimate responsibility for monitoring the risk profile of the Company. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives.

The Audit Committee of the Company reviews the development and implementation of the policy on enterprise risk management of the Company on periodic basis. The Audit Committee provides guidance on the risk management activities, review the results of the risk management process and reports to the Board of Directors on the status of the risk management initiatives.

The Company has exposure to the following risks arising from Financial Instruments:

Risk	Exposure arising from
Credit Risk	Cash and cash equivalents, other bank balances, trade & other receivables, other financial assets measured at amortised cost, and debt securities measured at FVOCI
Liquidity Risk	Financial liabilities
Market Risk - Foreign Exchange	Recognised financial assets not denominated in ₹
Market Risk - Interest Rate	Investments in debt securities
Market Risk - Price	Investments in equity securities, units of mutual funds, debt securities measured at FVTPL, venture capital fund, alternative investment funds and debt securities measured at FVOCI

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, cash and cash equivalents, other bank balances, other financial assets measured at amortised cost and debt securities measured at FVOCI.

Exposure to credit risk is mitigated through regular monitoring of collections, counterparty's creditworthiness and diversification in exposure.

Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, other bank balances, trade and other receivables, other financial assets measured at amortised cost and debt securities measured at FVOCI.

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Maximum exposure to credit risk	**547.63**	402.28

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Expected Credit Loss (ECL) on Financial Assets

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with contract and the cash flows that the Company expects to receive).

The Company has four types of financial assets that are subject to the expected credit loss:

- Trade & other receivables and other financial assets
- Cash and cash equivalents and other bank balances
- Investment in debt securities measured at amortised cost
- Investment in debt securities measured at FVOCI

Trade & Other Receivables and Other Financial Assets

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as control over preponderant amount of such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

The Company has placed security deposit with lessors for premises leased by the Company. The Company does not perceive any significant decline in credit risk profile of the lessors where the amount of security deposit is material and hence expected probability of default is considered as zero.

Cash and Cash Equivalents and Other Bank Balances

The Company holds cash and cash equivalents and other bank balances as per note 4 and 5. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

Investment in Debt Securities measured at amortised cost

The Company has made investments in tax free bonds. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

Investment in debt securities that are in tax free bonds do not carry any credit risk, being sovereign in nature. Accordingly, the expected probability of default is low.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Investment in Debt Securities measured at FVOCI

The Company has made investments in non-convertible debentures. Funds are invested after taking into account parameters like liquidity, credit rating, safety and sound financial position of the counterparties. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Accordingly, the expected probability of default is low.

ii. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms.

To limit this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

Exposure to Liquidity Risk

The table below analyses the Company's financial liabilities into relevant maturity pattern based on their contractual maturities for all financial liabilities.

₹ (in Crore)

As at March 31, 2025	Carrying amount	Contractual Cash Flows		
		Total	1 year or less	More than 1 year
Financial Liabilities				
Trade Payables	**39.56**	**39.56**	**39.56**	**-**
Lease Liabilities (remaining contractual maturities)	**143.58**	**176.02**	**40.59**	**135.43**
Other Financial Liabilities (excluding Lease Liabilities)	**101.06**	**101.06**	**101.06**	**-**
Total	**284.20**	**316.64**	**181.21**	**135.43**

₹ (in Crore)

As at March 31, 2024	Carrying amount	Contractual Cash Flows		
		Total	1 year or less	More than 1 year
Financial Liabilities				
Trade Payables	38.79	38.79	38.79	-
Lease Liabilities (remaining contractual maturities)	124.95	148.51	45.15	103.36
Other Financial Liabilities (excluding Lease Liabilities)	81.84	81.84	81.84	-
Total	**245.58**	**269.14**	**165.78**	**103.36**

Notes to Standalone Financial Statements

for the year ended March 31, 2025

iii. Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Currency Risk

The Company has insignificant amount of foreign currency denominated assets. Accordingly, the exposure to currency risk is insignificant.

Interest Rate Risk

The Company's investments are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is also insignificant.

Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market. The Company's exposure to price risk arises from investments in equity securities, debt securities, units of mutual funds, venture capital fund and alternative investment funds which are classified as financial assets at Fair Value Through Profit or Loss and debt securities classified at Fair Value Through Other Comprehensive Income are as follows:

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Exposure to price risk	**7,993.39**	6,892.53

To manage its price risk from investments in equity securities, debt securities, units of mutual funds, venture capital fund and alternative investment funds, the Company diversifies its portfolio.

Sensitivity Analysis

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening/strengthening in prices by 5%:

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Financial assets measured at FVTPL:		
Effect on Profit and Loss and Equity		
5% increase in the prices	**394.63**	344.63
5% decrease in the prices	**(394.63)**	(344.63)
Debt securities measured at FVOCI:		
Effect on Equity		
5% increase in the prices	**5.04**	-
5% decrease in the prices	**(5.04)**	-

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 36 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ (in Crore)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and Cash Equivalents	**11.58**	**-**	**11.58**	10.21	-	10.21
Bank Balance other than above	**1.17**	**-**	**1.17**	0.96	-	0.96
Receivables						
(i) Trade Receivables	**133.18**	**-**	**133.18**	93.27	-	93.27
(ii) Other Receivables	**7.02**	**4.82**	**11.84**	7.77	5.41	13.18
Investments	**2,033.70**	**6,255.17**	**8,288.87**	1,616.85	5,573.18	7,190.03
Other Financial Assets	**13.47**	**14.29**	**27.76**	6.16	15.00	21.16
Sub total - Financial Assets	**2,200.12**	**6,274.28**	**8,474.40**	**1,735.22**	**5,593.59**	**7,328.81**
Non Financial Assets						
Current Tax Assets (net)	**-**	**32.55**	**32.55**	-	31.04	31.04
Property, Plant and Equipment	**-**	**181.39**	**181.39**	-	136.34	136.34
Intangible Assets Under Development	**-**	**0.37**	**0.37**	-	0.87	0.87
Goodwill	**-**	**6.04**	**6.04**	-	6.04	6.04
Other Intangible Assets	**-**	**9.58**	**9.58**	-	8.92	8.92
Other Non Financial Assets	**35.38**	**13.92**	**49.30**	33.99	11.54	45.53
Sub total - Non Financial Assets	**35.38**	**243.85**	**279.23**	**33.99**	**194.75**	**228.74**
Total Assets	**2,235.50**	**6,518.13**	**8,753.63**	**1,769.21**	**5,788.34**	**7,557.55**
LIABILITIES						
Financial Liabilities						
Payables						
Trade payables						
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	**1.73**	**-**	**1.73**	1.08	-	1.08
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	**37.83**	**-**	**37.83**	37.71	-	37.71
Other Financial Liabilities	**132.35**	**112.29**	**244.64**	119.03	87.76	206.79
Sub total - Financial Liabilities	**171.91**	**112.29**	**284.20**	**157.82**	**87.76**	**245.58**
Non Financial Liabilities						
Current Tax Liabilities (net)	**19.72**	**-**	**19.72**	6.26	-	6.26
Provisions	**2.78**	**17.90**	**20.68**	2.14	14.24	16.38
Deferred Tax Liabilities (net)	**-**	**210.80**	**210.80**	-	115.56	115.56
Other Non Financial Liabilities	**84.09**	**-**	**84.09**	94.70	-	94.70
Sub total - Non Financial Liabilities	**106.59**	**228.70**	**335.29**	**103.10**	**129.80**	**232.90**
Total Liabilities	**278.50**	**340.99**	**619.49**	**260.92**	**217.56**	**478.48**

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 37 Statutory disclosure required as per Schedule III Division III of the Companies Act, 2013

(i) Ratios

Ratios		₹ (in Crore)			
		Numerator	Denominator	March 31, 2025	% Variance
(a)	Capital to risk-weighted assets ratio (CRAR)*	-	-	-	-
(b)	Tier I CRAR*	-	-	-	-
(c)	Tier II CRAR*	-	-	-	-
(d)	Liquidity Coverage Ratio (no. of times) [Total Financial Assets (within 12 months)/ Total Liabilities (within 12 months)] This has increased as Financial asset balances and specifically, investments which are maturing within 12 months from the reporting date including new purchases, have changed.	**2,200.12**	**278.50**	**7.90**	**18.79**

Ratios		₹ (in Crore)			
		Numerator	Denominator	March 31, 2024	% Variance
(a)	Capital to risk-weighted assets ratio (CRAR)*	-	-	-	-
(b)	Tier I CRAR*	-	-	-	-
(c)	Tier II CRAR*	-	-	-	-
(d)	Liquidity Coverage Ratio (no. of times) [Total Financial Assets (within 12 months)/ Total Liabilities (within 12 months)] This has increased as Financial asset balances and specifically, investments which are maturing within 12 months from the reporting date including new purchases, have changed.	1,735.22	260.92	**6.65**	**11.20**

*__Note:__ Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(ii) Relationship with Struck off Companies

The transactions with the companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 are disclosed below:

Sr No.	Name of struck off Company	Nature of transactions with struck-off Company	As at March 31, 2025			As at March 31, 2024		
			Transaction during the year	Balance outstanding	Relationship with the Struck off company	Transaction during the year	Balance outstanding	Relationship with the Struck off company
1	Vitalink Wealth Advisory Services Private Limited	Shares held by struck off company (no.)	-	13	None	-	13	None
		Dividend paid during the year (₹)	910	-	None	624	-	None
2	Manbhawani Investment Limited	Shares held by struck off company (no.)	-	258	None	-	-	None
3	Durga Processors Private Limited	Shares held by struck off company (no.)	-	48	None	-	-	None

(iii) The Company is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(iv) The Company does not have any transactions which were not recorded in the books of accounts, but offered as income during the year in the income tax assessment.

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) No funds have been advanced/loaned/invested (from borrowed funds or from share premium or from any other sources/ kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Note 38

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.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

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

Naozad Sirwalla
Chief Financial Officer

Sonali Chandak
Company Secretary
(ACS: 18108)

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary

in ₹ Crore, except % of shareholding

Sr no.	Particulars	
1	Name of the subsidiary	HDFC AMC International (IFSC) Limited
2	The date since when subsidiary was acquired	May 27, 2022
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	April 01, 2024 to March 31, 2025
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	34.00
6	Reserves and surplus	(4.13)
7	Total assets	31.06
8	Total Liabilities	1.19
9	Investments	-
10	Turnover	0.40
11	Profit/(Loss) before taxation	(0.87)
12	Provision for taxation	-
13	Profit/(Loss) after taxation	(0.87)
14	Proposed Dividend	-
15	Extent of shareholding (%)	100%

1. Turnover consists of Revenue from operations

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

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

Naozad Sirwalla
Chief Financial Officer

Sonali Chandak
Company Secretary
(ACS: 18108)

Mumbai, April 17, 2025

Independent Auditor's Report

To the Members of HDFC Asset Management Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of HDFC Asset Management Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter Revenue from Investment Management fees

See Note 3.5 and 19 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Investment Management Fee is a significant account balance in the Consolidated Statement of Profit and Loss. Investment management fees from the Mutual fund consists of fees from various schemes which invest in different categories of securities in the market like Equity, Debt etc. We have identified revenue from investment management service as a key audit matter since :	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: Testing of Design and Operating Effectiveness of controls : i. Understood and evaluated the design and implementation of authorisation controls and other key controls relating to recognition of investment management fee; ii. Test checked the operating effectiveness of authorisation controls, and other key controls over recognition of investment management fee.

The key audit matter	How the matter was addressed in our audit
i. There are inherent risks in computation of investment management fees due to the manual input of approved fee rates into the system. Investment management fees is a percentage of the assets under management ('AUM') managed by the Company. AUM is calculated by the system on a daily basis for each scheme. ii. Multiple schemes of HDFC Mutual Fund require effective monitoring over key financial terms and conditions being captured and applied accurately. Any discrepancy in such computations could result in misstatement of investment management fee recognised in the consolidated financial statements.	Substantive tests: iii. Evaluated the appropriateness of revenue recognition in respect of investment management fee income and related accounting policy based on the requirements of Ind AS 115; iv. Obtained and tested arithmetical accuracy of investment management fee calculations and reconciled investment management fee to amounts included in consolidated financial statements for completeness of income recognition; v. Test checked that investment management fee rates were approved by authorised personnel before being manually entered in the system; vi. Obtained and read the investment management fee certification reports, issued by the statutory auditors of mutual fund schemes for such work and reconciled the certified amounts with the accounting records; vii. Test checked the investment management fee invoices and reconciled with the accounting records; viii. Test checked the receipts of money of Investment Management fee income in the bank statements; ix. Evaluated the adequacy of disclosures relating to the investment management fee earned by the Company.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

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 consolidated financial statements, 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 on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 in preparation of consolidated financial statements 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 consolidated financial statements 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 1 April 2025 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the matters relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 30(a) to the consolidated financial statements.

   b. The Group did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended 31 March 2025.

   c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2025.

   d (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented that, to the best of their knowledge and belief, as disclosed in the Note 36(v) to the consolidated financial statements, no funds have been advanced or loaned or

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented that, to the best of their knowledge and belief, as disclosed in the Note 36(v) to the consolidated financial statements, no funds have been received by the Holding Company or subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.

As stated in Note 31 to the consolidated financial statements, the respective Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks the Holding company and its subsidiary company have used accounting softwares for maintaining its books of account which along with access management tools, as applicable, have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Holding Company and its subsidiary as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:25118189BMLJUT3151

Place: Mumbai
Date: 17 April 2025

Annexure A to the Independent Auditor's Report

on the Consolidated Financial Statements of HDFC Asset Management Company Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

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

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:25118189BMLJUT3151

Place: Mumbai
Date: 17 April 2025

Annexure B to the Independent Auditor's Report

on the consolidated financial statements of HDFC Asset Management Company Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of HDFC Asset Management Company Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

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

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:25118189BMLJUT3151

Place: Mumbai
Date: 17 April 2025

Consolidated Balance Sheet

as at March 31, 2025

₹ (in Crore)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
Assets			
I Financial Assets			
a Cash and Cash Equivalents	4	**12.13**	10.33
b Bank Balance other than (a) above	5	**29.67**	29.69
c Receivables			
(i) Trade Receivables	6	**133.66**	93.27
(ii) Other Receivables	7	**11.84**	13.18
d Investments	8	**8,254.84**	7,156.03
e Other Financial Assets	9	**27.77**	21.16
Sub-total - Financial Assets		**8,469.91**	**7,323.66**
II Non Financial Assets			
a Current Tax Assets (net)		**32.77**	31.12
b Property, Plant and Equipment	10	**182.64**	137.68
c Intangible Assets Under Development	10	**0.37**	0.87
d Goodwill	10	**6.04**	6.04
e Other Intangible Assets	10	**9.61**	8.92
f Other Non-Financial Assets	11	**49.32**	45.56
Sub-total - Non Financial Assets		**280.75**	**230.19**
Total Assets		**8,750.66**	**7,553.85**
Liabilities and Equity			
Liabilities			
I Financial Liabilities			
a Payables			
Trade Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	12	**1.74**	1.08
(ii) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises	12	**38.31**	37.88
b Other Financial Liabilities	13	**245.19**	206.87
Sub-total - Financial Liabilities		**285.24**	**245.83**
II Non Financial Liabilities			
a Current Tax Liabilities (net)		**19.72**	6.26
b Provisions	14	**20.76**	16.43
c Deferred Tax Liabilities (net)	15	**210.80**	115.56
d Other Non-Financial Liabilities	16	**84.15**	94.76
Sub-total - Non Financial Liabilities		**335.43**	**233.01**
Total Liabilities		**620.67**	**478.84**
III Equity			
a Equity Share Capital	17	**106.90**	106.74
b Other Equity	18	**8,023.09**	6,968.27
Equity attributable to owners of the Parent Company		**8,129.99**	**7,075.01**
Non-controlling interest		**-**	-
Sub-total - Equity		**8,129.99**	**7,075.01**
Total Liabilities and Equity		**8,750.66**	**7,553.85**

See summary of material accounting policies and accompanying notes which form an integral part of the consolidated financial statements.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

Naozad Sirwalla
Chief Financial Officer

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

Sonali Chandak
Company Secretary
(ACS: 18108)

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

₹ (in Crore except per equity share data)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations			
Asset Management Services	19	**3,498.44**	2,584.37
Other Income	20	**561.66**	579.02
Total Income		**4,060.10**	**3,163.39**
Expenses			
Finance Costs	28	**9.41**	9.09
Fees and Commission Expenses		**4.06**	2.48
Employee Benefits Expenses	21	**389.35**	354.06
Depreciation, Amortisation and Impairment	10	**58.54**	52.33
Other Expenses	22	**313.16**	270.41
Total Expenses		**774.52**	**688.37**
Profit before Tax		**3,285.58**	**2,475.02**
Tax Expense			
Current Tax	25	**730.17**	517.54
Deferred Tax Charge / (Credit)	25	**95.22**	14.79
Total Tax Expense		**825.39**	**532.33**
Profit after Tax		**2,460.19**	**1,942.69**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of the defined benefit plans		**(3.82)**	(2.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Tax on Remeasurement of the defined benefit plans		**0.96**	0.54
Subtotal (A)		**(2.86)**	**(1.60)**
B (i) Items that will be reclassified to profit or loss			
- Exchange differences on translating the financial statements of a subsidiary		**0.78**	(0.27)
- Fair value changes in debt instruments through Other Comprehensive Income (OCI)		**0.09**	-
(ii) Income tax relating to items that will be reclassified to profit or loss			
- Tax on Fair value changes in debt instruments through OCI		**(0.02)**	-
Subtotal (B)		**0.85**	**(0.27)**
Total Other Comprehensive Income (A+B)		**(2.01)**	**(1.87)**
Total Comprehensive Income		**2,458.18**	**1,940.82**
Profit Attributable to:			
Owners of the Parent Company		**2,460.19**	1,942.69
Non-controlling interest		**-**	-
Other Comprehensive Income Attributable to:			
Owners of the Parent Company		**(2.01)**	(1.87)
Non-controlling interest		**-**	-
Total Comprehensive Income Attributable to:			
Owners of the Parent Company		**2,458.18**	1,940.82
Non-controlling interest		**-**	-
Earnings Per Equity Share (Face Value ₹5) (see note 27)			
- Basic		**115.16**	91.00
- Diluted		**114.75**	90.89

See summary of material accounting policies and accompanying notes which form an integral part of the consolidated financial statements.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

Naozad Sirwalla
Chief Financial Officer

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

Sonali Chandak
Company Secretary
(ACS: 18108)

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

A. Equity Share Capital

₹ (in Crore)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Equity Shares of ₹5 each (March 31, 2024: ₹5 each), fully paid up			
As at March 31, 2024	106.71	0.03	106.74
As at March 31, 2025	**106.74**	**0.16**	**106.90**

B. Other Equity

₹ (in Crore)

Particulars	Share Application Money - Pending allotment	Reserves and Surplus					Items of OCI		Total	Attributable to owners of the Parent Company	Attributable to Non-controlling interest
		Capital Redemption Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Retained Earnings	Debt instruments through Other Comprehensive Income	Currency Translation Reserve			
Opening balance as at April 01, 2023	**-**	**52.41**	**602.65**	**174.97**	**111.37**	**5,059.75**	**-**	**(0.04)**	**6,001.11**	**6,001.11**	**-**
Profit for the year	-	-	-	-	-	1,942.69	-	-	1,942.69	1,942.69	-
Other Comprehensive Income - Remeasurement gain / (loss) of the defined benefit plans (net of tax)	-	-	-	-	-	(1.60)	-	-	(1.60)	(1.60)	-
Other Comprehensive Income - Fair value changes in debt instruments through OCI (net of tax)	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income - Exchange differences on translating the financial statements of a subsidiary (net of tax)	-	-	-	-	-	-	-	(0.27)	(0.27)	(0.27)	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**1,941.09**	**-**	**(0.27)**	**1,940.82**	**1,940.82**	**-**
Final Equity Dividend Paid (see note 31)	-	-	-	-	-	(1,024.65)	-	-	(1,024.65)	(1024.65)	-
Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)	-	-	0.58	-	(0.58)	-	-	-	-	-	-
Transfer from Share Options Outstanding Account to Retained Earnings (towards options lapsed after vesting)	-	-	-	-	(0.00)	0.00	-	-	-	-	-
Additions during the year	3.97	-	3.94	-	47.05	-	-	-	54.96	54.96	-
Utilised during the year	(3.97)	-	-	-	-	-	-	-	(3.97)	(3.97)	-
Changes during the year	**-**	**-**	**4.52**	**-**	**46.47**	**916.44**	**-**	**(0.27)**	**967.16**	**967.16**	**-**
Closing balance as at March 31, 2024	**-**	**52.41**	**607.17**	**174.97**	**157.84**	**5,976.19**	**-**	**(0.31)**	**6,968.27**	**6,968.27**	**-**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

₹ (in Crore)

Particulars	Share Application Money - Pending allotment	Reserves and Surplus					Items of OCI		Total	Attributable to owners of the Parent Company	Attributable to Non-controlling interest
		Capital Redemption Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Retained Earnings	Debt instruments through Other Comprehensive Income	Currency Translation Reserve			
Opening balance as at April 01, 2024	**-**	**52.41**	**607.17**	**174.97**	**157.84**	**5,976.19**	**-**	**(0.31)**	**6,968.27**	**6,968.27**	**-**
Profit for the year	-	-	-	-	-	2,460.19	-	-	2,460.19	2,460.19	-
Other Comprehensive Income - Remeasurement gain / (loss) of the defined benefit plans (net of tax)	-	-	-	-	-	(2.86)	-	-	(2.86)	(2.86)	-
Other Comprehensive Income - Fair value changes in debt instruments through OCI (net of tax)	-	-	-	-	-	-	0.07	-	0.07	0.07	-
Other Comprehensive Income - Exchange differences on translating the financial statements of a subsidiary (net of tax)	-	-	-	-	-	-	-	0.78	0.78	0.78	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**2,457.33**	**0.07**	**0.78**	**2,458.18**	**2,458.18**	**-**
Interim Equity Dividend Paid (see note 31)	-	-	-	-	-	(1,495.05)	-		(1,495.05)	(1,495.05)	-
Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)	-	-	22.41	-	(22.41)	-	-	-	-	-	-
Transfer from Share Options Outstanding Account to Retained Earnings (towards options lapsed after vesting)	-	-	-	-	(0.11)	0.11	-	-	-	-	-
Additions during the year	69.33	-	69.16	-	22.52	-	-	-	161.01	161.01	-
Utilised during the year	(69.32)	-	-	-	-	-	-	-	(69.32)	(69.32)	-
Changes during the year	**0.01**	**-**	**91.57**	**-**	**(0.00)**	**962.39**	**0.07**	**0.78**	**1,054.82**	**1,054.82**	**-**
Closing balance as at March 31, 2025	**0.01**	**52.41**	**698.74**	**174.97**	**157.84**	**6,938.58**	**0.07**	**0.47**	**8,023.09**	**8,023.09**	**-**

See summary of material accounting policies and accompanying notes which form an integral part of the consolidated financial statements.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

Naozad Sirwalla
Chief Financial Officer

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

Sonali Chandak
Company Secretary
(ACS: 18108)

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

₹ (in Crore)

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax*	**3,285.58**	**2,475.02**
	Add/(Less): Adjustments for		
	Depreciation, Amortisation and Impairment	**58.54**	52.33
	Finance Costs	**9.41**	9.09
	Share Based Payments to Employees	**22.52**	47.05
	(Profit) / Loss on Sale of Investments (net)	**(32.66)**	(15.48)
	Fair Value (Gain) / Loss on Investments	**(496.19)**	(531.18)
	Net (Gain) / Loss on foreign currency transactions and translations	**0.01**	0.02
	(Profit) / Loss on Derecognition of Property, Plant and Equipment (net)	**(0.08)**	(0.05)
	Investment Income from Financial Instruments	**(18.22)**	(25.39)
	Other Interest Income	**(4.49)**	(3.13)
	Operating Profit before working capital changes	**2,824.42**	**2,008.28**
	Adjustments for:		
	(Increase) / Decrease in Trade Receivables	**(40.38)**	90.48
	(Increase) / Decrease in Other Receivables	**1.34**	(1.94)
	(Increase) / Decrease in Other Financial Assets	**(2.57)**	(0.20)
	(Increase) / Decrease in Other Non-Financial Assets	**(1.05)**	(3.31)
	Increase / (Decrease) in Trade Payables	**1.09**	4.52
	Increase / (Decrease) in Other Financial Liabilities	**19.46**	6.12
	Increase / (Decrease) in Provisions	**4.33**	3.86
	Increase / (Decrease) in Other Non-Financial Liabilities	**(14.44)**	36.66
	Cash generated from / (used in) operations	**2,792.20**	**2,144.47**
	Income Tax Paid	**(717.40)**	(529.78)
	Net cash from / (used in) operating activities (A)	**2,074.80**	**1,614.69**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Other Intangible Assets	**(44.79)**	(19.03)
	Proceeds from Sale of Property, Plant and Equipment and Other Intangible Assets	**0.10**	0.05
	Purchase of Investments	**(4,025.98)**	(3,634.80)
	Proceeds from Sale of Investments	**3,449.96**	3,102.24
	Dividend Received	**0.78**	0.23
	Interest Received	**21.16**	35.80
	Investments in Fixed Deposits	**(55.11)**	(52.00)
	Proceeds from Fixed Deposits	**55.83**	25.31
	Net cash from / (used in) investing activities (B)	**(598.05)**	**(542.20)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
C. Cash Flow from Financing Activities		
Proceeds from Issuance of Share Capital	**69.32**	3.97
Share Application Money - Pending allotment	**0.01**	-
Principal Element of Lease Payments	**(39.94)**	(36.41)
Interest Element of Lease Payments	**(9.41)**	(9.09)
Interim Equity Dividend Paid (see note 31)	**(1,495.05)**	-
Final Equity Dividend Paid (see note 31)	**-**	(1,024.65)
Net cash from / (used in) financing activities (C)	**(1,475.07)**	**(1,066.18)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**1.68**	**6.31**
Cash and Cash Equivalents at the beginning of the year	**10.33**	**4.46**
Exchange differences on translation of foreign currency cash and cash equivalents	**0.12**	(0.44)
Cash and Cash Equivalents at the end of the year	**12.13**	**10.33**
Cash and cash equivalents comprising of:		
Balance with banks	**12.13**	10.33
Total	**12.13**	**10.33**
*Amount spent towards Corporate Social Responsibility expense as per Section 135(5) of the Companies Act, 2013	**34.59**	31.29

Note: The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

See summary of material accounting policies and accompanying notes which form an integral part of the consolidated financial statements.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

Naozad Sirwalla
Chief Financial Officer

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

Sonali Chandak
Company Secretary
(ACS: 18108)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

1. Group overview

HDFC Asset Management Company Limited ('the Company') is a Public Limited Company domiciled in India and its registered office is situated at HDFC House, 2nd Floor, H.T Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. The Company has been incorporated under the Companies Act, 1956 on December 10, 1999 and was approved to act as the Asset Management Company for HDFC Mutual Fund by Securities and Exchange Board of India (SEBI) vide its letter dated July 03, 2000. HDFC Trustee Company Limited ('the Trustee') has appointed the Company to act as the investment manager of HDFC Mutual Fund.

The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services. Further, the Company acts as an Investment Manager to HDFC AMC AIF-II and HDFC AMC Structured Credit AIF–I, trusts registered with SEBI as a Category II Alternative Investment Fund under the SEBI (Alternative Investment Funds) Regulations, 2012.

HDFC Bank Limited ('HDFC Bank' or 'Holding Company') had become the Holding Company and Promoter of HDFC Asset Management Company Limited, in place of Housing Development Finance Corporation Limited ('HDFC Ltd'), with effect from July 01, 2023, pursuant to the Composite scheme of amalgamation of: (i) HDFC Investments Limited and HDFC Holdings Limited, wholly owned subsidiaries of HDFC Ltd with and into HDFC Ltd; and (ii) HDFC Ltd with and into HDFC Bank.

On June 20, 2023, abrdn Investment Management Limited ('abrdn'), one of the promoters of the Company, sold its entire stake in the Company and subsequent to the approval granted by Stock Exchanges for reclassification of abrdn from the 'Promoter' category to 'Public' Category, effective September 18, 2023, abrdn ceased to be the promoter of the Company.

As at March 31, 2025, HDFC Bank Limited, the holding company owned 52.47% of the Company's equity share capital.

A Wholly Owned Subsidiary ('WOS') of the Company namely 'HDFC AMC International (IFSC) Limited', located in Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India, had been incorporated effective May 27, 2022.

The Company, together with its subsidiary, is hereinafter referred to as 'the Group'.

The equity shares of the Company have been listed on National Stock Exchange of India Limited and BSE Limited since August 06, 2018.

2. Basis of preparation and recent accounting developments

2.1 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared and presented on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time.

The consolidated financial statements were approved for issue by the Company's Board of Directors on April 17, 2025, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Details of the Group's material accounting policies are included in Note 3.

b) Presentation of consolidated financial statements

The Group presents its consolidated balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 34.

c) Functional and presentation currency

Indian Rupee (₹) is the currency of the primary economic environment in which the Company operates and hence it is the functional currency of the Company. Accordingly, the management has determined that consolidated financial statements should be presented in Indian Rupees (₹).

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

d) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Consolidated Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in foreign currency are not re-translated.

Translation of financial statements of a subsidiary having functional currency other than Indian Rupee (₹) is carried out in accordance with Indian Accounting Standard (Ind AS) 21 'The Effects of Changes in Foreign Exchange Rates'. On consolidation, the assets and liabilities of the subsidiary are translated into Indian Rupee (₹) using the rate of exchange prevailing at the reporting date and its Statement of Profit and Loss is translated using an average rate to translate income and expense items. The exchange differences arising from the translation of financial statements of subsidiary having functional currency other than the Indian Rupee (₹) is recognised in Other Comprehensive Income (OCI) and is presented within other equity as currency translation reserve. Such exchange differences recognised in currency translation reserve within other equity are not reclassified to the Consolidated Statement of Profit and Loss until the disposal of the Company's interest in subsidiary.

e) Rounding Off

All amounts have been rounded-off to the nearest Crore up to two decimal places, unless otherwise indicated.

f) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial instruments (as explained in the accounting policies below)	Fair value
Net defined benefit asset/ (liability)	Fair value of plan assets less present value of defined benefit obligations
Equity settled share based payments	Fair value of the options granted as on the grant date

g) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions as on the reporting date. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results / actions are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

- Note 3.3 (A) (iii) and 10 – estimates of useful lives and residual value of property, plant and equipment, and other intangible assets;
- Note 10 – impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;
- Note 13 - determination of lease term and discount rate for lease liabilities;
- Note 23 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 24 – share based payments;
- Note 25 – recognition of deferred tax assets;
- Note 30 – recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources, if any;
- Note 33 – financial instruments – fair values, risk management and impairment of financial assets.

h) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Measurement of fair values includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of judgement and estimation in the determination of fair value. Judgement and estimation are usually required for selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 24 - share based payment;
- Note 33 - financial instruments – fair values and risk management and impairment of financial assets

i) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary together referred to as 'the Group' as at and for the year ended March 31, 2025.

A subsidiary is an entity which is controlled by the Company. The Company controls an investee if and only if the Company has all the following elements of control:

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(a) has power over the investee;

(b) has exposure, or rights, to variable returns from its involvement with the investee; and

(c) has the ability to use its power over the investee to affect the amount of the Company's returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Company's voting rights and potential voting rights.
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of the subsidiary used for the purpose of consolidation are at the same reporting date as that of the Company, i.e., year ended on March 31, 2025.

Consolidation Procedure

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Company's investment in a subsidiary and the Company's portion of equity in the subsidiary.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies in line with the Company's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

If the Company loses control over a subsidiary, it:

- derecognises the assets (including goodwill, if any) and liabilities of the subsidiary.
- derecognises the carrying amount of any non-controlling interests.
- derecognises the cumulative translation differences recorded in equity.
- recognises the fair value of the consideration received.
- recognises the fair value of any investment retained.
- recognises any surplus or deficit in profit or loss.
- reclassifies the Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

The financial statements of HDFC AMC International (IFSC) Limited have been consolidated as per Ind AS 110 - Consolidated Financial Statements.

2.2 Recent Accounting Developments:

Standards issued / amended but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification on accounting standards which would have been applicable to the Group from April 01, 2025.

3. Material Accounting Policies

3.1 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.2 Financial instruments

(i) Recognition and initial measurement of financial assets and financial liabilities

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated.

All the financial assets and financial liabilities are initially measured at fair value. A financial asset or financial liability which is not recognised at Fair Value Through Profit or Loss, is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Consolidated Statement of Profit and Loss. Trade receivables that do not contain a significant financing component are initially measured at transaction price.

(ii) Classification, Subsequent measurement, gains and losses of financial assets

Classification:

On initial recognition, a financial asset is classified as measured at

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI) (designated as measured at FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset as measured at FVTPL that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets.

Subsequent measurement and gains and losses:

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in the Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Consolidated Statement of Profit and Loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Consolidated Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Consolidated Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Consolidated Statement of Profit and Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, any interest or dividend income, are recognised and are presented separately in the Consolidated Statement of Profit and Loss

(iii) Classification, subsequent measurement, gains and losses of financial liabilities

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Financial liabilities are classified as measured at amortised cost or FVTPL. A Financial Liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Consolidated Statement of Profit and Loss.

(iv) Derecognition of financial assets and financial liabilities

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its consolidated balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(v) Impairment of financial instruments

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not classified as FVTPL or equity investments at FVOCI. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk or the assets have become credit impaired from initial recognition in which case, those are measured at lifetime ECL. 12-month ECL are the portion of expected credit losses that result from default events that are possible within 12 months after reporting date (or a shorter period if the expected life of the instrument is less than 12 months) and Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

or loss in the Consolidated Statement of Profit and Loss. The Group considers a financial asset to be in default when credit obligations to the Group are unlikely to be fulfilled in full, without recourse by the Group to actions such as realising security, if any.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows which the Group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Presentation of allowance for expected credit losses in the consolidated balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Consolidated Statement of Profit and Loss and is recognised in OCI.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(vi) Off-setting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.3 (A) Property, plant and equipment

(i) Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises of its purchase price (after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

(iii) Depreciation

Depreciation on property, plant and equipment is provided on straight-line basis as per the estimated useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except for certain assets.

Following is the summary of useful lives of the assets as per management's estimate and as required by the Companies Act, 2013 except assets individually costing less than Rupees five thousand which are fully depreciated in the year of purchase / acquisition.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Class of property, plant and equipment	Useful Life (no. of years)	
	As per the Companies Act, 2013	As per management's estimate
Buildings*	60	50 to 60
Computer Equipment:		
Server and Network*	6	4
Others	3	3
Furniture and Fixtures*	10	7
Electrical Installations*	10	7
Office Equipment	5	5
Vehicles*	8	4
Improvement of Rented Premises	Not specified	Over the lease term or 5 years, whichever is less

*Based on technical advice, management is of the opinion that the useful lives of these assets reflect the period over which they are expected to be used.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if required.

Depreciation on additions / disposals is provided on a pro- rata basis i.e. from / up to the date on which asset is ready to use / disposed off.

(iv) Derecognition

The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Consolidated Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

(B) Goodwill

Goodwill was generated on acquisition of rights to operate, administer and manage the schemes of erstwhile Morgan Stanley Mutual Fund. Goodwill is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses, if any.

(C) Other intangible assets

(i) Recognition and measurement

Other intangible assets including computer software are measured at cost and recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Such other intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset comprises of its purchase price (after deducting trade discounts and rebates) including import duties and non-refundable taxes and any directly attributable cost for preparing the asset for its intended use.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the Consolidated Statement of Profit and Loss. Computer Software is being amortised over a period of 3 years, on pro-rata basis i.e. from / up to the date on which asset is available for use / disposed off.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Amortisation method, useful lives and residual values are reviewed at each financial year end and adjusted, if required.

(iv) Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use, and the resultant gains or losses are recognised in the Consolidated Statement of Profit and Loss.

(D) Intangible assets under development

The intangible assets under development includes cost of intangible assets that are not ready for their intended use on the date of balance sheet less accumulated impairment losses, if any.

3.4 Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or goodwill is the higher of its value in use and its fair value. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it.

An impairment loss is recognised if the carrying amount of an asset or goodwill exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversal of impairment loss is recognised as income in the Consolidated Statement of Profit and Loss.

3.5 Revenue recognition

(i) Rendering of services

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 - Revenue from Contracts with Customers, to determine when to recognise revenue and at what amount.

Revenue is measured based on the transaction price specified in the contract with a customer that is allocated to that performance obligation. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, then Group estimates the non-constrained amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

Nature of services

The Group principally generates revenue by providing asset management services to HDFC Mutual fund, Alternative Investment Fund (AIF) and other clients.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Investment Management Services to mutual fund	The Company has been appointed as the investment manager to HDFC Mutual Fund. The Company receives investment management fees from the mutual fund which is charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The maximum amount of management fee that can be charged is subject to applicable SEBI regulations. The contract includes a single performance obligation (series of distinct services) that is satisfied over time and the investment management fees earned are considered as variable consideration. Invoices becomes payable when the bills are issued to the customer.
Portfolio Management Services, Advisory Services and Investment Management Services to AIFs	The Company provides portfolio management services and advisory services to its clients wherein a separate agreement is entered into with each client. The Company earns management fees which is generally charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The Company, in certain instances also has a right to charge performance fee to the clients if the portfolio achieves a particular level of performance as mentioned in the agreement with the client, to the extent permissible under applicable regulations. Generally, no upfront fee is charged to the clients. The Group has also been appointed as the investment manager to HDFC AMC AIF-II, HDFC AMC Structured Credit AIF–I and certain AIFs located in GIFT City. The Group is entitled for management fee as per the terms of Investment Management Agreement and any other fees as agreed and is recognised on accrual basis. These contracts include a single performance obligation (series of distinct services) that is satisfied over time and the management fees and / or the performance fees earned are considered as variable consideration. Invoices becomes payable when the bills are issued to the customer.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(ii) Recognition of dividend income, interest income or expense, gains and losses from financial instruments

Dividend income is recognised in the Consolidated Statement of Profit and Loss on the date on which the Group's right to receive dividend is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the credit-impaired financial asset (i.e. the gross carrying amount less the allowance for expected credit losses). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income / expense on financial instruments at FVTPL is not included in fair value changes but presented separately.

The realised gains / losses from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gains / losses represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

3.6 New Fund Offer (NFO) expenses & Commission

NFO expenses on the launch of mutual fund schemes are borne by the Company and recognised in the Consolidated Statement of Profit and Loss as and when incurred.

Pursuant to circulars issued by SEBI in this regard, with effect from October 22, 2018, all the scheme expenses including commission on mutual fund schemes, subject to certain permitted exceptions, are being borne by the respective schemes.

Any other commission paid by the Group in line with the applicable regulations is being amortised over the contractual period.

3.7 Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service. Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Share based payment transactions

The Employee Stock Option Scheme provides for the grant of options to acquire equity shares of the Company to its eligible employees and certain directors other than independent directors as well as employees of its WOS. The period of vesting and period of exercise are as specified within the respective schemes. The fair value at grant date of equity settled share based payment options granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the options. The amount recognised as expense is based on the estimate of the number of options for which the

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

related service conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service conditions at the vesting date. At the end of each reporting period, the Group revisits its estimate of the number of stock options expected to vest. Such compensation cost is amortised over the vesting period of the respective tranches of such grant.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. The Group makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

National Pension System (NPS)

NPS is a defined contribution plan. In case employee opts for NPS, the Group contributes certain percentage of basic salary plus dearness pay, if any, of the eligible employees' salary to the NPS. The Group recognises such contribution as an expense as and when incurred.

(iv) Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Group determines the net interest expense / income on the net defined benefit liability / asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / asset, taking into account any changes in the net defined benefit liability / asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) Other long term employee benefits

The Group's net obligation in respect of long term employee benefits other than post-employment benefits, which are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised as profit or loss in the period in which they arise.

3.8 Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, the provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying / development of assets and amounts pertaining to Investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

3.9 Leases

The Group assesses whether the contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group leases its office premises. The Group recognises Right of Use (ROU) and lease liabilities for these leases i.e. these leases are on-balance sheet. The Group has elected not to apply the requirements of Ind AS 116 - Leases to short term leases i.e. leases of all assets that have a lease term of 12 months or less and to low value leases i.e. leases for which the underlying asset is of low value. For these short term and low value leases, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and is discounted using the Group's incremental borrowing rate. Since the Group does not have any debts, the Group's incremental borrowing rate has been determined based on the risk-free rate which is adjusted for the financial spread based on the credit spread of the Holding Company.

Certain leases include lease and non-lease components, which are accounted for as one single lease component. Occupancy lease agreements, in addition to contractual rent payments, generally include additional payments for certain costs incurred by the landlord, such as maintenance expenses and utilities. To the extent these are fixed or determinable, they are included as part of the lease payments used to measure the lease liability.

The lease liability is measured at amortised cost using the effective interest method.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

The ROU asset is initially measured at cost, which comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received; plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. The right of use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The ROU assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Lease term is determined as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain

The lease liability is remeasured when there is a change in one of the following:

- the Group's estimate of the amount expected to be payable under a residual value guarantee, or
- the Group's assessment of whether it will exercise a purchase, extension, or termination option or
- if there is a modification in the lease.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the Consolidated Statement of Profit and Loss if the carrying amount of the ROU asset has been reduced to nil.

As a lessor:

When the Group is the lessor, the lease is classified as either a finance lease or an operating lease. A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

At the commencement date, the Group recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Finance lease income is allocated to lease term so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.10 Income tax

Income tax comprises of current and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in Other Comprehensive Income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits, if any

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

transaction that is not a business combination, that affects neither accounting nor taxable profit or loss at the time of the transaction and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

- temporary differences related to investment in subsidiary where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

3.11 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the Group and assess the performance of the operating segments of the Group.

3.12 Earnings per share (EPS)

The basic earnings per share is computed by dividing profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

The diluted earnings per share is computed by dividing profit after tax attributable to the equity shareholders adjusted for the effects of all dilutive potential ordinary shares by the weighted average number of equity shares outstanding plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares, unless they are anti-dilutive.

3.13 Dividends on equity shares

The Company recognises a liability to make cash distributions to equity shareholders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders except in case of interim dividends which is approved by Board of Directors. A corresponding amount is recognised directly in equity.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 4 Cash and Cash Equivalents

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with Banks	12.13	10.33
Total	**12.13**	**10.33**

Note 5 Bank Balance Other than Cash and Cash Equivalents

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Other Bank Balances		
- Fixed Deposit with Bank (security against bank guarantee)	-	0.16
- Fixed Deposit with Bank (Others)	28.67	28.73
Earmarked Balances with Banks		
- Unclaimed Equity Dividend	0.99	0.78
- Withheld Brokerage	0.01	0.02
Total	**29.67**	**29.69**

Note 6 Trade Receivables*

(Considered good - Unsecured)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Investment Management Fee Receivable	127.79	90.83
Portfolio Management Fee, AIF and Other Advisory Services Fee Receivable	5.87	2.44
Total	**133.66**	**93.27**

Trade Receivables Ageing

(Undisputed Trade receivables – considered good)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Unbilled dues (A)	**129.51**	**91.71**
Outstanding for following periods from due date of payment		
Less than 6 months	4.13	1.42
6 months -1 year	0.01	0.01
1-2 years	-	0.12
2-3 years	-	-
More than 3 years	0.01	0.01
Total Outstanding (B)	**4.15**	**1.56**
Total (A+B)	**133.66**	**93.27**

*No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 7 Other Receivables*

(Considered good - Unsecured)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Finance Lease Receivable	**9.43**	9.45
Others	**2.41**	3.73
Total	**11.84**	**13.18**

* No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

Note 8 Investments

₹ (in Crore)

Sr. No.	Particulars	As at March 31, 2025				As at March 31, 2024			
		At Amortised Cost	At Fair Value Through Other Comprehensive Income	At Fair Value Through Profit or Loss	Total	At Amortised Cost	At Fair Value Through Other Comprehensive Income	At Fair Value Through Profit or Loss	Total
		(1)	(2)	(3)	(4=1+2+3)	(1)	(2)	(3)	(4=1+2+3)
1	Mutual Funds	-	-	7,507.56	7,507.56	-	-	6,648.64	6,648.64
2	Debt Securities	261.45	100.74	8.39	370.58	263.50	-	8.22	271.72
3	Equity Instruments	-	-	24.40	24.40	-	-	24.27	24.27
4	Alternative Investment Funds	-	-	345.66	345.66	-	-	206.07	206.07
5	Venture Capital Fund	-	-	6.64	6.64	-	-	5.33	5.33
	Total Gross Investments (A)	**261.45**	**100.74**	**7,892.65**	**8,254.84**	**263.50**	**-**	**6,892.53**	**7,156.03**
6	(i) Investments outside India	-	-	-	-	-	-	-	-
	(ii) Investments in India	261.45	100.74	7,892.65	8,254.84	263.50	-	6,892.53	7,156.03
	Total (B)	**261.45**	**100.74**	**7,892.65**	**8,254.84**	**263.50**	**-**	**6,892.53**	**7,156.03**
	Less: Allowance for Impairment (C)	-	-	-	-	-	-	-	-
	Total Net Investments (D = A - C)	**261.45**	**100.74**	**7,892.65**	**8,254.84**	**263.50**	**-**	**6,892.53**	**7,156.03**

Note 9 Other Financial Assets

(Considered good - Unsecured)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued on Fixed Deposits	**0.01**	0.01
Interest accrued on Investments	**5.30**	5.24
Security Deposits	**17.71**	15.91
Receivable against sale of Investment	**4.75**	-
Total	**27.77**	**21.16**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 10 (A) Property, Plant and Equipment, Goodwill and Other Intangible Assets

₹ (in Crore)

Particulars	Gross Block					Depreciation/Amortisation					Net Block
	As at April 01, 2024	Additions	Deductions	Foreign Exchange Translation Difference	As at March 31, 2025	As at April 01, 2024	For the year	Deductions	Foreign Exchange Translation Difference	As at March 31, 2025	As at March 31, 2025
Property, Plant and Equipment											
Buildings											
Freehold	4.34	-	-	-	4.34	0.70	0.10	-	-	0.80	3.54
Right of Use Asset	218.77	68.21	49.51	0.02	237.49	105.42	41.15	42.89	0.00	103.68	133.81
Furniture & Fixtures	3.85	0.96	0.30	0.00	4.51	2.48	0.72	0.29	0.00	2.91	1.60
Vehicles	0.50	-	-	-	0.50	0.37	0.11	-	-	0.48	0.02
Office Equipment	12.71	6.45	1.86	0.00	17.30	7.14	2.27	1.85	0.00	7.56	9.74
Computer Equipment	26.79	16.85	0.82	0.00	42.82	21.34	5.68	0.82	0.00	26.20	16.62
Electrical Installations	0.34	-	-	-	0.34	0.34	-	-	-	0.34	-
Improvement of Rented Premises	22.39	12.68	6.38	0.01	28.70	14.22	3.55	6.38	0.00	11.39	17.31
Total (I)	289.69	105.15	58.87	0.03	336.00	152.01	53.58	52.23	0.00	153.36	182.64
Goodwill and Other Intangible Assets											
Goodwill	6.04	-	-	-	6.04	-	-	-	-	-	6.04
Computer Software (Externally acquired)	32.41	5.65	-	0.00	38.06	23.49	4.96	-	0.00	28.45	9.61
Total (II)	38.45	5.65	-	0.00	44.10	23.49	4.96	-	0.00	28.45	15.65
Grand Total (I+II)	328.14	110.80	58.87	0.03	380.10	175.50	58.54	52.23	0.00	181.81	198.29

₹ (in Crore)

Particulars	Gross Block					Depreciation/Amortisation					Net Block
	As at April 01, 2023	Additions	Deductions	Foreign Exchange Translation Difference	As at March 31, 2024	As at April 01, 2023	For the year	Deductions	Foreign Exchange Translation Difference	As at March 31, 2024	As at March 31, 2024
Property, Plant and Equipment											
Buildings											
Freehold	4.34	-	-	-	4.34	0.60	0.10	-	-	0.70	3.64
Right of Use Asset	208.74	35.54	25.52	0.01	218.77	91.03	38.03	23.64	0.00	105.42	113.35
Furniture & Fixtures	3.20	0.78	0.13	0.00	3.85	2.12	0.49	0.13	0.00	2.48	1.37
Vehicles	0.50	-	-	-	0.50	0.25	0.12	-	-	0.37	0.13
Office Equipment	10.13	3.82	1.24	0.00	12.71	6.34	2.04	1.24	0.00	7.14	5.57
Computer Equipment	28.53	3.95	5.69	0.00	26.79	22.02	5.01	5.69	0.00	21.34	5.45
Electrical Installations	0.34	-	-	-	0.34	0.34	-	-	-	0.34	-
Improvement of Rented Premises	17.80	6.00	1.41	0.00	22.39	13.29	2.34	1.41	0.00	14.22	8.17
Total (I)	**273.58**	**50.09**	**33.99**	**0.01**	**289.69**	**135.99**	**48.13**	**32.11**	**0.00**	**152.01**	**137.68**
Goodwill and Other Intangible Assets											
Goodwill	6.04	-	-	-	6.04	-	-	-	-	-	6.04
Computer Software (Externally acquired)	27.24	6.28	1.11	0.00	32.41	20.40	4.20	1.11	0.00	23.49	8.92
Total (II)	**33.28**	**6.28**	**1.11**	**0.00**	**38.45**	**20.40**	**4.20**	**1.11**	**0.00**	**23.49**	**14.96**
Grand Total (I+II)	**306.86**	**56.37**	**35.10**	**0.01**	**328.14**	**156.39**	**52.33**	**33.22**	**0.00**	**175.50**	**152.64**

Impairment testing

The Goodwill relates to acquisition of rights to operate, administer and manage schemes of the erstwhile Morgan Stanley Mutual Fund. The recoverable amount is the management fee income based on the present value of the future cash flows expected to be derived from the asset (value in use). Management fee income is assumed to be generated at a constant rate and is discounted using a pre-tax discount rate of 6.64% (Previous Year 7.23%) based on one year Government security (G-sec) yield.

An analysis of sensitivity of the computation to a change in key parameters based on reasonably probable assumptions did not identify any probable scenarios in which the recoverable amount would decrease below the carrying amount of goodwill. Consequently, no impairment is required.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 10 (B) Intangible Assets Under Development

For the year ended March 31, 2025

₹ (in Crore)

Particulars	As at April 01, 2024	Additions	Capitalisation	As at March 31, 2025
Intangible assets under development (Externally acquired)	0.87	2.97	3.47	0.37
Total	**0.87**	**2.97**	**3.47**	**0.37**

Intangible assets under development ageing schedule

₹ (in Crore)

Intangible assets under development	As at March 31, 2025				
	Amount in Intangible asset under development for a period of				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.37	-	-	-	0.37
Projects temporarily suspended	-	-	-	-	-
Total	**0.37**	**-**	**-**	**-**	**0.37**

There are no Intangible assets under development as at March 31, 2025, whose completion is overdue or has exceeded its cost compared to its original plan.

For the year ended March 31, 2024

₹ (in Crore)

Particulars	As at April 01, 2023	Additions	Capitalisation	As at March 31, 2024
Intangible assets under development (Externally acquired)	2.14	3.34	4.61	0.87
Total	**2.14**	**3.34**	**4.61**	**0.87**

Intangible assets under development ageing schedule

₹ (in Crore)

Intangible assets under development	As at March 31, 2024				
	Amount in Intangible asset under development for a period of				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.87	-	-	-	0.87
Projects temporarily suspended	-	-	-	-	-
Total	**0.87**	**-**	**-**	**-**	**0.87**

There are no Intangible assets under development as at March 31, 2024, whose completion is overdue or has exceeded its cost compared to its original plan.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 11 Other Non-Financial Assets

(Considered good - Unsecured)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Advances	2.71	-
Prepaid Expenses	19.37	19.04
Goods & Services Tax Credit Receivable	21.97	21.66
Other Advances	5.27	4.86
Total	**49.32**	**45.56**

Note 12 Trade Payables

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME)	1.74	1.08
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	38.31	37.88
Total	**40.05**	**38.96**

Trade Payables Ageing

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
MSME - Undisputed, Unbilled dues (A)	1.74	1.08
Others - Undisputed		
Unbilled dues (B)	38.31	37.88
Outstanding for following periods from due date of payment		
Less than 1 year	0.00	-
Total (C)	**0.00**	**-**
Total Others - Undisputed (D) = (B+C)	**38.31**	**37.88**
Total (A+D)	**40.05**	**38.96**

Note 13 Other Financial Liabilities

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Employee Benefits	91.65	76.14
Other Dues	8.97	5.00
Unclaimed Equity Dividend	0.99	0.78
Lease Liabilities	143.58	124.95
Total	**245.19**	**206.87**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 14 Provisions

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits (primarily Compensated absences & Leave encashment)	20.76	16.43
Total	**20.76**	**16.43**

Note 15 Deferred Tax Liabilities (net) (see note 25)

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Asset	(60.78)	(49.20)
Deferred Tax Liability	271.58	164.76
Total	**210.80**	**115.56**

Note 16 Other Non-Financial Liabilities

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory Dues	75.10	88.14
Employee Benefits	9.05	6.62
Total	**84.15**	**94.76**

Note 17 Share Capital

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
60,00,00,000 Equity Shares of ₹ 5 each (Previous Year: 60,00,00,000 Equity Shares of ₹ 5 each)	300.00	300.00
5,00,00,000 Redeemable, Cumulative Non-Convertible Preference Shares of ₹ 10 each (Previous Year: 5,00,00,000 Redeemable, Cumulative Non-Convertible Preference Shares of ₹ 10 each)	50.00	50.00
Total	**350.00**	**350.00**
Issued, Subscribed and Paid-up		
21,37,93,086 Equity Shares of ₹ 5 each (Previous Year: 21,34,84,000 Equity Shares of ₹ 5 each), fully paid up	106.90	106.74
	106.90	**106.74**

a) Movement in Equity Share Capital during the year:

₹(in Crore)

Particulars	March 31, 2025		March 31, 2024	
	No. of Equity Shares	Share Capital	No. of Equity Shares	Share Capital
Shares outstanding at the beginning of the year (face value of ₹ 5 each)	21,34,84,000	106.74	21,34,24,716	106.71
Add: Shares issued during the year (face value of ₹ 5 each)	3,09,086	0.16	59,284	0.03
Shares outstanding at the end of the year (face value of ₹ 5 each)	21,37,93,086	106.90	21,34,84,000	106.74

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

b) Terms/Rights attached to Equity Shares

1. The Company had issued only one class of equity shares referred to as equity share having face value of ₹ 10 each which was sub-divided to ₹ 5 each w.e.f. February 13, 2018. Each holder of equity shares is entitled to one vote per share.
2. The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the Shareholders at the Annual General Meeting, except in case of interim dividends which is approved by board of directors and confirmed by the Shareholders at the Annual General Meeting.
3. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amount. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

c) 11,21,79,830 equity shares of ₹ 5 each (Previous Year 11,21,79,830 equity shares of ₹ 5 each) are held by HDFC Bank Limited (Holding Company)[$].

d) Details of Holding Company and Shareholders holding more than 5 percent Share Capital of the Company :

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of Equity Shares (Face Value ₹5)	% of Share Capital	No. of Equity Shares (Face Value ₹5)	% of Share Capital
HDFC Bank Limited (Holding Company)[$]	**11,21,79,830**	**52.47**	11,21,79,830	52.55
Life Insurance Corporation of India	Not applicable		1,29,49,242	6.07
SBI Mutual Fund	Not applicable		1,22,24,610	5.73

e) 20,18,029 equity shares of ₹ 5 each (Previous Year: 23,16,200 Equity Shares of ₹ 5 each) are reserved for issuance towards outstanding employee stock options.

f) No equity shares were bought back during last five years (Previous Year: Nil).

g) No shares were allotted as fully paid-up 'pursuant to any contract without payment being received in cash' in last five years (Previous Year: Nil).

h) No bonus shares were issued during the period of five years immediately preceding the reporting date (Previous Year: Nil).

i) Details of Shareholding of Promoters:

Promoter name	As at March 31, 2025			As at March 31, 2024			As at April 01, 2023
	No. of Equity Shares (Face Value ₹5)	% of total Share Capital	% Change during the year[#]	No. of Equity Shares (Face Value ₹5)	% of total Share Capital	% Change during the year[#]	No. of Equity Shares (Face Value ₹5)
HDFC Bank Limited (Holding Company)[$]	**11,21,79,830**	**52.47**	-	11,21,79,830	52.55	-	11,21,79,830
Abrdn Investment Management Limited (formerly known as Standard Life Investments Limited) - see note 1 - Company overview	-	-	-	-	-	(100.00)	2,17,78,305

[#] Computed vis-à-vis number of shares held by the same entity.

[$] HDFC Bank Limited ('HDFC Bank') had become the Holding Company and Promoter of HDFC Asset Management Company Limited, in place of Housing Development Finance Corporation Limited ('HDFC Ltd'), with effect from July 01, 2023, pursuant to the Composite scheme of amalgamation of: (i) HDFC Investments Limited and HDFC Holdings Limited, wholly owned subsidiaries of HDFC Ltd with and into HDFC Ltd; and (ii) HDFC Ltd with and into HDFC Bank.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 18 Other Equity

Nature and purpose of reserves

Share application pending allotment

Until the shares are allotted, the amount received is shown under the Share Application Money Pending Allotment.

Capital redemption reserve

Whenever there is a buy-back or redemption of share capital, the nominal value of the capital is transferred to a reserve called Capital Redemption Reserve so as to retain the capital.

Securities premium

Securities Premium is used to record the premium (amount received in excess of face value of equity shares) on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013. The securities premium also includes amount transferred from Share options outstanding account upon exercise of options by employees and directors and subsequent allotment of shares to them.

General reserve

Pursuant to the provisions of Companies Act,1956, the Company had transferred a portion of its net profit before declaring dividend, to general reserve. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Share options outstanding account

The grant date fair value of equity-settled share based payment transactions with employees and directors are recognised in the Consolidated Statement of Profit and Loss with the corresponding credit to this account over the vesting period. The amounts recorded in Share options outstanding account are transferred to securities premium upon exercise of stock options and subsequent allotment of shares and transferred to retained earnings on account of stock options not exercised.

Retained earnings

Retained earnings are the profits that the Group has earned to date, less any dividends or other distributions paid to the Shareholders, net of utilisation as permitted under applicable regulations.

Debt instruments through Other Comprehensive Income

This comprises the changes in the fair value of debt instruments recognised in Other Comprehensive Income and accumulated within equity. The Group transfers the amounts from such component of equity to Consolidated Statement of Profit and Loss when the relevant debt instruments are derecognised.

Currency Translation Reserve

The exchange differences arising from the translation of financial statements of subsidiary having functional currency other than the Indian Rupee (₹) is recognised in other comprehensive income and is presented within other equity as currency translation reserve.

Refer 'Other Equity' section in 'Consolidated Statement of Changes in Equity' for movement in reserves and surplus during the year.

Note 19 Asset Management Services

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Investment Management Fee	**3,481.91**	2,580.60
Portfolio Management Fee, AIF and Other Advisory Services Fee	**16.53**	3.77
Total	**3,498.44**	**2,584.37**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 20 Other Income

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income from Investments		
Interest Income from Investments		
- On Financial Assets measured at Amortised Cost	**16.79**	25.16
- On Financial Assets measured at Fair Value Through Other Comprehensive Income	**0.65**	-
Interest on deposit with Banks		
- On Financial Assets measured at Amortised Cost	**1.44**	0.97
Net gain on Financial Instruments		
- On Financial Assets measured at Fair Value Through Profit or Loss	**531.17**	547.17
Dividend Income from Investments		
- On Financial Assets measured at Fair Value Through Profit or Loss	**0.78**	0.23
Total Income from Investments (A)	**550.83**	**573.53**
Others		
Net gain / (loss) on derecognition of Property, Plant and Equipment	**0.08**	0.05
Other Interest Income	**2.18**	1.78
Miscellaneous Income	**8.57**	3.66
Total Others (B)	**10.83**	**5.49**
Total Other Income (A+B)	**561.66**	**579.02**

Note 21 Employee Benefits Expenses

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, Allowances and Bonus	**340.87**	287.00
Contribution to Provident and Other Funds	**15.62**	13.78
Share Based Payments to Employees*	**22.52**	47.05
Staff Welfare and Training Expenses	**10.34**	6.23
Total	**389.35**	**354.06**

* Accounting for equity settled share based payment transaction (ESOPs) at fair value increases the non-cash component of Employee Benefits Expenses and is also 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 and subsequent allotment of shares. Hence, this charge is neutral to Equity of the Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 22 Other Expenses

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
New Fund Offer and Mutual Fund Expenses	**11.52**	6.58
Advertisement, Publicity and Business Promotion	**45.99**	45.14
Rent	**1.52**	0.60
Rates and Taxes	**0.46**	0.44
Electricity Charges	**6.38**	5.55
Office Cleaning and Security Cost	**23.07**	19.83
Repair and Maintenance	**8.14**	7.99
Communication Expenses	**9.07**	8.42
Printing, Stationery and Courier	**6.53**	6.13
Directors' Sitting Fees, Commission, allowances and expenses	**3.57**	3.43
Auditors Remuneration:		
Audit Fee	**0.42**	0.36
Limited Reviews	**0.29**	0.21
Group Audit and Reviews	**0.39**	0.34
Tax Audit Fee	**0.05**	0.04
Taxation Matters	**-**	0.00
Reimbursement of Expenses	**0.07**	0.07
Other Services*	**0.04**	0.31
	1.26	**1.33**
Legal and Professional Fees	**14.43**	12.21
Insurance Expenses	**8.52**	6.83
Travel and Conveyance	**10.12**	8.26
Subscription and Membership Fees	**11.01**	10.54
Outsourced Services Cost	**33.96**	29.14
Donations	**0.06**	0.03
Loss on Foreign Exchange Translation (net)	**0.05**	0.05
Corporate Social Responsibility expense as per Section 135 (5) of the Companies Act, 2013	**34.59**	31.29
Trademark Licence Fees	**13.17**	7.56
Software Expenses and Allied Services	**48.39**	42.54
KYC Expenses related to Mutual Fund Investors	**15.33**	11.94
Miscellaneous Expenses	**6.02**	4.58
Total	**313.16**	**270.41**

*For the year ended March 31, 2024, fees for Other Services primarily includes fee towards assurance service as required under the Business Responsibility and Sustainability Report (BRSR) Core prescribed by Securities and Exchange Board of India.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 23 Employee Benefits

a) Defined Contribution Plan

The Group has recognised the following amounts in the Consolidated Statement of Profit and Loss, which are included under Contributions to Provident and Other Funds:

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to Provident Fund	**8.78**	8.12
Employer's contribution to National Pension System	**1.84**	1.40

b) Defined Benefit Plan - Gratuity

In accordance with the applicable Indian laws, the Group has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment, which requires contributions to be made to a separately administered fund except for the subsidiary whose gratuity plan is unfunded.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

The amounts are based on the respective employee's last drawn salary and the years of employment with the Group. Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the plan. The plan is funded with a life insurance company in the form of a qualifying insurance policy.

The following tables summaries the components of net employee benefit expense recognised in the Consolidated Statement of Profit and Loss, the funded status and amounts recognised in Consolidated Balance Sheet.

(i) Changes in Present Value of the Defined Benefit Obligation

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Obligation as at beginning of the year	**42.60**	37.37
Current service cost	**4.07**	3.53
Interest cost	**3.03**	2.76
Benefits paid	**(4.71)**	(3.57)
Actuarial (gains) / losses on obligation - due to change in demographic assumptions	**-**	0.07
Actuarial (gains) / losses on obligation - due to change in financial assumptions	**1.58**	0.56
Actuarial (gains) / losses on obligation - due to experience adjustments	**3.18**	1.88
Obligation as at the end of the year	**49.75**	42.60

Note - The above table excludes foreign currency translation reserve effect of ₹ 0.00 Crore (Previous Year ₹ 0.00 Crore).

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(ii) Change in the Fair Value of Plan Assets

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Fair Value of Plan Assets at the beginning of the year	36.67	33.92
Expected return on plan assets	2.61	2.51
Contributions by the Employer	5.91	3.44
Benefit Paid from the Fund	(4.71)	(3.57)
Actuarial gain / (loss) on plan assets	0.95	0.37
Fair Value of Plan Assets at the end of the year	41.43	36.67

(iii) Actual Return on Plan Assets

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expected return on Plan Assets	2.61	2.51
Actuarial gain / (loss) on Plan Assets	0.95	0.37
Actual Return on Plan Assets	3.56	2.88

(iv) Amount recognised in the Consolidated Balance Sheet

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Present Value of defined benefit obligation	(49.75)	(42.60)
Fair Value of Plan Assets	41.43	36.67
Funded status [surplus / (deficit)]	(8.32)	(5.93)
Net (Liability) / Asset recognised in the Consolidated Balance Sheet	(8.32)	(5.93)

(v) Expenses recognised in the Consolidated Statement of Profit and Loss

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	4.07	3.53
Interest Cost	3.03	2.76
Expected Return on Plan Assets	(2.61)	(2.51)
Expenses recognised in the Consolidated Statement of Profit and Loss	4.49	3.78

Note - The above table excludes foreign currency translation reserve effect of ₹ 0.00 Crore (Previous Year ₹ 0.00 Crore).

(vi) Expenses recognised in Consolidated Other Comprehensive Income (OCI)

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial (gains) / losses on Obligation	4.76	2.51
Actuarial (gains) / losses on Plan Assets	(0.95)	(0.37)
Net (income) / expense for the year recognised in Consolidated OCI	3.81	2.14

Note - The above table excludes foreign currency translation reserve effect of ₹ 0.00 Crore (Previous Year ₹ 0.00 Crore).

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(vii) Amount recognised in the Consolidated Balance Sheet

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Liability at the end of the year	**49.75**	42.60
Fair Value of Plan Assets at the end of the year	**(41.43)**	(36.67)
Amount recognised in the Consolidated Balance Sheet as Liability	**8.32**	5.93

(viii) Balance sheet reconciliation

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Net Liability as at the beginning of the year	**5.93**	3.45
Expenses recognised in the Consolidated Statement of Profit and Loss	**4.49**	3.78
Expenses / (Income) recognised in Consolidated OCI	**3.81**	2.14
Contributions by the Employer	**(5.91)**	(3.44)
Net Liability / (Asset) recognised in Consolidated Balance Sheet	**8.32**	5.93

Note - The above table excludes foreign currency translation reserve effect of ₹ 0.00 Crore (Previous Year ₹ 0.00 Crore).

(ix) Investment Pattern

Particulars	% Invested	
	As at March 31, 2025	As at March 31, 2024
Insurer managed funds:		
Money Market Instruments, Public Deposits and Net Current Assets	**6.37**	2.92
Debentures / Bonds	**36.42**	36.38
Government Securities	**57.21**	60.70

(x) Actuarial Assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Expected Return on Plan Assets	**6.65%**	7.19%
Rate of Discounting	**6.65%**	7.19%
Rate of Salary Increase	**6.50%**	6.50%
Rate of Employee Turnover	**For service 4 years and below 19.02% p.a. For service 5 years and above 9.34% p.a.**	For service 4 years and below 19.02% p.a. For service 5 years and above 9.34% p.a.
Mortality Rate During Employment	**Indian Assured Lives Mortality 2012-14 (Urban)**	Indian Assured Lives Mortality 2012-14 (Urban)

(xi) The Group generally makes annual contributions to the plan (except for the subsidiary where the plan is unfunded) based on the actuarial valuation of 'amount recognised in the Consolidated Balance Sheet as Liability at the year end'.

(xii) The expected contributions to the plan for the next annual reporting period

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
The expected contributions to the plan for the next annual reporting period	**3.87**	5.97

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(xiii) Maturity Analysis of the benefit payments

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Projected benefits payable in future years from the date of reporting		
1st Following year	**5.65**	4.45
2nd Following year	**4.62**	4.05
3rd Following year	**5.58**	4.77
4th Following year	**5.68**	4.80
5th Following year	**4.64**	4.79
Sum of years 6 to 10	**21.58**	18.86
Sum of years 11 and above	**33.84**	31.12

The Weighted average duration of the defined benefit obligation is 8 years (March 31, 2024: 8 years)

(xiv) Sensitivity Analysis

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Defined Benefit Obligation on Current Assumptions	**49.75**	42.60
Delta Effect of +1% Change in Rate of Discounting	**(2.86)**	(2.43)
Delta Effect of -1% Change in Rate of Discounting	**3.21**	2.73
Delta Effect of +1% Change in Rate of Salary Increase	**3.19**	2.72
Delta Effect of -1% Change in Rate of Salary Increase	**(2.89)**	(2.47)
Delta Effect of +1% Change in Rate of Employee Turnover	**(0.07)**	0.04
Delta Effect of -1% Change in Rate of Employee Turnover	**0.07**	(0.05)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the Consolidated Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(iii) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

(iv) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Since the Company's plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk. The subsidiary manages pay-out based on pay as you go basis from its own funds.

(v) Mortality Risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

(vi) Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

During the year, there were no plan amendments, curtailments and settlements.

Note 24 Share based payments

Accounting for Employee Share Based Payments

All the below said stock options have been granted under the Employees Stock Option Scheme 2020 ('ESOS 2020') of the Company. Each stock option represents one equity share of ₹ 5/- each. The said stock options have been granted at the market price as defined in SEBI (Share Based Employees Benefits) Regulations, 2014. Accordingly, the stock options have been granted at the latest available closing price of the shares of the Company on National Stock Exchange of India Limited on the trading day immediately preceding the date on which Grant of Options was approved by the Nomination & Remuneration Committee of the Board of Directors of the Company ('Nomination & Remuneration Committee').

Grant Date	Number of Stock options	Exercise price (₹)	Trading day immediately preceding the grant date	Granted to
January 14, 2025	7,500	3,834.55	January 13, 2025	Eligible employees of the Company and WOS
June 07, 2024	72,000	3,760.50	June 06, 2024	
April 10, 2024	18,000	3,703.90	April 09, 2024	
January 10, 2024	38,800	3,415.25	January 09, 2024	
April 25, 2023	10,50,000	1,780.90	April 24, 2023	Eligible employees of the Company
July 21, 2022	50,000	1,921.70	July 20, 2022	
January 24, 2022	1,82,000	2,369.40	January 21, 2022	
February 22, 2021	11,45,000	2,934.25	February 19, 2021	

In terms of ESOS 2020, the options shall vest in three tranches. Each of these tranches consisting of 1/3 of the options granted shall vest on the completion of the 1st, 2nd and 3rd year from the date of the grant respectively. Any fractional residue shall be settled in the 3rd tranche. The options can be exercised over a period of five years from the date of respective vesting.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Under Employees Stock Option Scheme 2017 – Series I (ESOS 2017 – Series I), the Company had on July 28, 2017 granted 1,58,875 stock options at an exercise price of ₹ 5,353.00/- per option, representing 1,58,875 equity shares of ₹ 10/- each to few employees & directors of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Nomination & Remuneration Committee i.e. based on the Price Earning Multiple method and the Assets Under Management (AUM) method.

In terms of ESOS 2017 – Series I, the options vest over a period of 1-2 years from the date of grant. The options can be exercised over a period of five years from the date of vesting.

Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc., the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination and Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and now each option represents one equity share of ₹ 5/- each.

Comparison of exercise price per option:

₹

Name of the Series	Pre corporate action	Post corporate action
ESOS 2017 Series I	5,353.00	669.13

No modifications were made in the terms and conditions of ESOS during the year.

The number of options vested during the year were 4,04,518 (Previous Year 4,32,936)

For the year ended March 31, 2025

Particulars	Outstanding at the beginning of the year*	Granted during the year*	Exercised during the year*	Forfeited during the year*	Expired during the year*	Outstanding at the end of the year*	Exercisable at the end of the year*	For options outstanding at the end of the year	
								Exercise price per option (₹)	Weighted average remaining contractual life (no. of years)
ESOS 2020 (Grant Date January 14, 2025)	Nil	7,500	Nil	Nil	Nil	7,500	Nil	3,834.55	6.80
ESOS 2020 (Grant Date June 07, 2024)	Nil	72,000	Nil	Nil	Nil	72,000	Nil	3,760.50	6.19
ESOS 2020 (Grant Date April 10, 2024)	Nil	18,000	Nil	Nil	Nil	18,000	Nil	3,703.90	6.03
ESOS 2020 (Grant Date January 10, 2024)	38,800	Nil	Nil	8,250	Nil	30,550	10,183	3,415.25	5.78
ESOS 2020 (Grant Date April 25, 2023)	9,80,400	Nil	1,52,418	68,335	Nil	7,59,647	1,71,851	1,780.90	5.23
ESOS 2020 (Grant Date July 21, 2022)	50,000	Nil	13,334	Nil	Nil	36,666	20,000	1,921.70	4.49
ESOS 2020 (Grant Date January 24, 2022)	1,82,000	Nil	43,334	10,000	Nil	1,28,666	1,28,666	2,369.40	3.95
ESOS 2020 (Grant Date February 22, 2021)	10,65,000	Nil	1,00,000	Nil	Nil	9,65,000	9,65,000	2,934.25	2.90

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

For the year ended March 31, 2024

Particulars	Outstanding at the beginning of the year*	Granted during the year*	Exercised during the year*	Forfeited during the year*	Expired during the year*	Outstanding at the end of the year*	Exercisable at the end of the year*	For options outstanding at the end of the year	
								Exercise price per option (₹)	Weighted average remaining contractual life (no. of years)
ESOS 2020 (Grant Date January 10, 2024)	Nil	38,800	Nil	Nil	Nil	38,800	Nil	3,415.25	6.78
ESOS 2020 (Grant Date April 25, 2023)	Nil	10,50,000	Nil	69,600	Nil	9,80,400	Nil	1,780.90	6.07
ESOS 2020 (Grant Date July 21, 2022)	50,000	Nil	Nil	Nil	Nil	50,000	16,667	1,921.70	5.31
ESOS 2020 (Grant Date January 24, 2022)	1,82,000	Nil	Nil	Nil	Nil	1,82,000	1,21,334	2,369.40	4.82
ESOS 2020 (Grant Date February 22, 2021)	10,65,000	Nil	Nil	Nil	Nil	10,65,000	10,65,000	2,934.25	3.90
ESOS 2017 (Series I)	59,484	Nil	59,284	Nil	200	Nil	Nil	Nil	Nil

* Since all the options were granted at the same exercise price per option under the respective Series / Grant, the weighted average exercise price per option for all these groups under the respective Series / Grant is the same.

Total expense arising from equity settled share based payment transaction for the stock options granted to the eligible employees of the Company and WOS has been charged to Consolidated Statement of Profit and Loss.

₹ (in Crore)

Expense recognised for employee services received during the year	March 31, 2025	March 31, 2024
Expense arising from equity settled share based payment transactions	**22.52**	47.05
Other Adjustments (Impact on account of foreign exchange translation difference)	**0.00**	-
Total expense arising from share based payment transactions recognised in Consolidated Statement of Profit and Loss	**22.52**	47.05

The weighted average share price for options exercised during the year under various Series' / Grants was ₹ 4,122.11 (Previous Year ₹ 1,964.13)

Fair value methodology

The fair value of options used to compute net income and earnings per equity share has been estimated on the date of grant using Black-Scholes model.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

The key assumptions used in Black-Scholes model for calculating fair value under ESOS 2017 – Series I and ESOS 2020 as on the date of grant were:

Particulars	Risk-free interest rate	Expected average life	Expected volatility	Dividend yield	Fair value of the option (₹)	Fair value of the option after corporate action (₹)
ESOS 2020 (Grant Date January 14, 2025)	6.49% - 6.51 % p.a.	3.5 - 5.5 Years	28.85% - 32.92%	2.16% p.a.	1,133.03	NA
ESOS 2020 (Grant Date June 07, 2024)	6.68% - 6.70 % p.a.	3.5 - 5.5 Years	29.79% - 32.76%	1.75% p.a.	1,201.01	NA
ESOS 2020 (Grant Date April 10, 2024)	6.77% - 6.80 % p.a.	3.5 - 5.5 Years	27.89% - 31.93%	1.75% p.a.	1,162.11	NA
ESOS 2020 (Grant Date January 10, 2024)	6.78% - 6.82 % p.a.	3.5 - 5.5 Years	27.75% - 33.03%	1.75% p.a.	1,084.43	NA
ESOS 2020 (Grant Date April 25, 2023)	6.66% - 6.76 % p.a.	3.5 - 5.5 Years	34.00% - 34.54%	2.48% p.a.	557.31	NA
ESOS 2020 (Grant Date July 21, 2022)	6.74% - 6.96 % p.a.	3.5 - 5.5 Years	34.68% - 36.41%	1.18% p.a.	699.71	NA
ESOS 2020 (Grant Date January 24, 2022)	5.34% - 5.98 % p.a.	3.5 - 5.5 Years	33.91% - 35.52%	0.92% p.a.	826.26	NA
ESOS 2020 (Grant Date February 22, 2021)	5.04% - 5.66 % p.a.	3.5 - 5.5 Years	36.10% - 37.08%	0.84% p.a.	1,053.40	NA
ESOS 2017 (Series I)	6.66% p.a.	3.5 Years	0%	1.86% p.a.	777.00	97.13

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black - Scholes Model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

As on the date of grant in case of ESOS 2017–Series I, the Company being an unlisted company and in the absence of listed comparable companies, volatility had been considered to be Nil.

As on the respective dates of grant in case of ESOS 2020, wherever the trading history of the Company and/or its comparable company(s) listed on the Stock exchange were less than the life of the option, Nifty Financial Services Index was also considered for deriving the volatility.

Note 25 Tax expense

Components of Income Tax Expense

(a) Amounts recognised in the Consolidated Statement of Profit and Loss

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current income tax	**730.17**	517.54
	730.17	**517.54**
Deferred Tax Charge / (Credit)		
Origination and reversal of temporary differences*	**95.22**	14.79
	95.22	**14.79**
Income Tax expense for the year	**825.39**	**532.33**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(b) Tax on amounts recognised in Consolidated Other Comprehensive Income

₹ (in Crore)

Particulars	Tax (expense)/benefit	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Remeasurement of the defined benefit plans	**0.96**	0.54
Fair value changes in debt instruments through Other Comprehensive Income (OCI)	**(0.02)**	-
Total	**0.94**	**0.54**

(c) Reconciliation of Effective Tax Rate

₹ (in Crore)

Reconciliation between the statutory Income tax rate and the effective Income tax rate	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	**3,285.58**	2,475.02
Company's domestic tax rate	**25.17%**	25.17%
Tax using the domestic tax rate	**826.91**	622.91
Tax effect of / on:		
Net expenses that are not deductible in determining taxable profit	**14.38**	18.53
Items which are taxed at different rates*	**(12.01)**	(103.64)
Incomes which are exempt from tax	**(4.23)**	(6.33)
Loss of subsidiary	**0.22**	0.79
Others	**0.12**	0.07
Total	**(1.52)**	**(90.58)**
Income Tax expense for the year	**825.39**	**532.33**

* As per Finance (No.2) Act 2024, enacted in August 2024, the rates at which capital gains were taxed had changed and indexation benefit had also been withdrawn while calculating long term capital gains on investments. Consequently, the Deferred Tax Liability recognised by the Group on fair value gains on its investments as on March 31, 2024 has increased by ₹ 43.67 Crore thereby resulting in an additional charge on the Profit After Tax of the Group for year ended March 31, 2025.

(d) Effective Tax Rate

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Effective Tax Rate (%)	**25.12**	21.51

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(e) Significant components and movement in deferred tax assets and liabilities:

₹ (in Crore)

Particulars	As at April 01, 2024	Charge/(Credit) recognised	Recognised in OCI	As at March 31, 2025
Deferred Tax Assets				
- Property, Plant and Equipment & Other Intangible Assets (excluding ROU)	**11.83**	**0.33**	**-**	**11.50**
- Lease Liabilities	**31.44**	**(4.69)**	**-**	**36.13**
- Employee Benefits	**4.12**	**(6.87)**	**-**	**10.99**
- Others	**1.81**	**(0.35)**	**-**	**2.16**
Total Deferred Tax Assets	**49.20**	**(11.58)**	**-**	**60.78**
Deferred Tax Liabilities				
- Right of Use Asset (ROU)	**28.30**	**5.15**	**-**	**33.45**
- Prepaid Employee Benefits	**0.24**	**0.26**	**-**	**0.50**
- Fair value gains / losses and impairment on Investments	**133.12**	**101.45**	**0.02**	**234.59**
- Others	**3.10**	**(0.06)**	**-**	**3.04**
Total Deferred Tax Liabilities	**164.76**	**106.80**	**0.02**	**271.58**
Net Deferred Tax Assets / (Liabilities)	**(115.56)**	**95.22**	**0.02**	**(210.80)**

₹ (in Crore)

Particulars	As at April 01, 2023	Charge/(Credit) recognised	Recognised in OCI	As at March 31, 2024
Deferred Tax Assets				
- Property, Plant and Equipment & Other Intangible Assets (excluding ROU)	10.99	(0.84)	-	11.83
- Lease Liabilities	32.83	1.39	-	31.44
- Employee Benefits	3.16	(0.96)	-	4.12
- Others	1.32	(0.49)	-	1.81
Total Deferred Tax Assets	**48.30**	**(0.90)**	**-**	**49.20**
Deferred Tax Liabilities				
- Right of Use Asset (ROU)	29.63	(1.33)	-	28.30
- Prepaid Employee Benefits	1.13	(0.89)	-	0.24
- Fair value gains / losses and impairment on Investments	115.90	17.22	-	133.12
- Others	2.41	0.69	-	3.10
Total Deferred Tax Liabilities	**149.07**	**15.69**	**-**	**164.76**
Net Deferred Tax Assets / (Liabilities)	**(100.77)**	**14.79**	**-**	**(115.56)**

The Group has not recognised deferred tax assets in respect of carried forward tax losses and unabsorbed depreciation of the subsidiary as the same will lapse in subsequent years as follows:

₹ (in Crore)

As at March 31, 2025	Amount	Expiry
Tax Losses	**3.00**	**Within 0 - 3 years**
Unabsorbed depreciation	**0.08**	**Unlimited**

₹ (in Crore)

As at March 31, 2024	Amount	Expiry
Tax Losses	3.00	Within 0 - 4 years
Unabsorbed depreciation	0.06	Unlimited

Note:

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 26 Related Party Transactions

As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), the related parties of the Group with whom there have been transactions during the current / previous year, are as follows:

Sr. No.	Relationship	Name of the Parties
1	Holding Company	HDFC Bank Limited from July 01, 2023 (Housing Development Finance Corporation Limited up to June 30, 2023)[$]
2	Fellow Subsidiaries	HDFC Trustee Company Limited
		HDFC Life Insurance Company Limited
		HDFC ERGO General Insurance Company Limited
		HDFC Securities Limited (from July 01, 2023)
3	Investor with a significant influence	Abrdn Investment Management Limited (formerly known as Standard Life Investments Limited) (up to June 20, 2023)[$]
4	Other Related Parties	HDFC Bank Limited (Associate of Holding Company - up to June 30, 2023)[$]
		HDFC Securities Limited (Subsidiary of HDFC Bank Limited - up to June 30, 2023)
		HDFC Asset Management Company Limited Employees' Group Gratuity Assurance Scheme (post-employment benefit plan of the Company)
5	Key Management Personnel (KMP) of Company	Deepak S Parekh
		Navneet Munot
		Keki Mistry (up to June 26, 2023)
		Dhruv Kaji
		Jairaj Purandare
		Sanjay Bhandarkar
		Parag Shah
		Renu S Karnad
		Roshni Nadar Malhotra
		V Srinivasa Rangan (from January 12, 2024)
6	Key Management Personnel of Holding Company (except covered in Sr No. 5)	V Srinivasa Rangan (up to June 30, 2023 and from November 23, 2023)
		Keki Mistry (from July 01, 2023)
		Kaizad Maneck Bharucha (from July 01, 2023)
		Bhavesh Zaveri (from July 01, 2023)
7	Close Family Members of Company's Key Management Personnel and Holding Company's Key Management Personnel	Smita Deepak Parekh
		Aditya Deepak Parekh
		Harsha Shantilal Parekh
		Siddharth Deepak Parekh
		Arnaaz Keki Mistry
		Bharat Karnad
		Ashok Sud
		V Jayam (up to June 30, 2023 and from November 23, 2023)
		S Anuradha (up to June 30, 2023 and from November 23, 2023)
		Abinaya Rangan (up to June 30, 2023 and from November 23, 2023)
		Niharika B Zaveri (from July 01, 2023)
		Mahesh Babu Ramamurthy (from July 01, 2023)
		Devesh Bhanwala (from January 25, 2024)

[$]see note 1 - Company overview

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

All the transactions with related parties are on arm's length basis. The terms and conditions of these transactions were no more favourable than those available, or those which might reasonably be expected to be available, in similar transactions with non-related parties on an arm's length basis. None of the balances are secured and the settlement of the same will be done in the form of cash or by providing / receiving services as applicable, in the ordinary course of business. The nature and volume of transactions of the Group during the current / previous year with the above related parties were as follows:

(a) Details of transactions

₹ (in Crore)

Particulars	Holding Company		Fellow Subsidiaries		Investor with a Significant Influence		Other Related Parties	
	March 31, 2025	March 31, 2024	**March 31, 2025**	March 31, 2024	**March 31, 2025**	March 31, 2024	**March 31, 2025**	March 31, 2024
Income								
Interest on Deposits	**1.43**	0.91	**-**	-	**-**	-	**-**	0.05
Expense								
Lease Rent	**12.11**	11.99	**-**	-	**-**	-	**-**	-
Bank Charges	**0.00**	0.00	**-**	-	**-**	-	**-**	0.00
Fees and Commission	**2.15**	0.51	**0.31**	0.22	**-**	-	**-**	0.10
Administration & Other Expenses	**2.37**	2.37	**-**	-	**-**	-	**-**	-
Insurance Premium	**-**	-	**4.75**	3.97	**-**	-	**-**	-
Trademark Licence Fees	**13.17**	7.56	**-**	-	**-**	-	**-**	-
Custodian Charges	**0.06**	0.02	**-**	-	**-**	-	**-**	0.01
Other Transactions								
Equity Dividend	**785.26**	538.46	**-**	-	**-**	104.54	**-**	-
Contribution towards Gratuity Fund	**-**	-	**-**	-	**-**	-	**5.91**	3.44
Insurance Claim received on behalf of employees	**-**	-	**-**	0.38	**-**	-	**-**	-
Asset								
Bank Balances	**13.00**	11.01	**-**	-	**-**	-	**-**	-
Fixed Deposits	**28.37**	28.47	**-**	-	**-**	-	**-**	-
Interest accrued on Fixed Deposit	**0.13**	0.26	**-**	-	**-**	-	**-**	-
Advance for Expenses	**-**	-	**2.72**	3.04	**-**	-	**-**	-
Prepaid Commission	**1.37**	1.38	**2.48**	2.75	**-**	-	**-**	-
Prepaid Insurance Premium	**-**	-	**0.04**	0.03	**-**	-	**-**	-
Security Deposit	**0.47**	-	**-**	-	**-**	-	**-**	-
Liability								
Account Payable	**3.14**	2.71	**0.02**	0.01	**-**	-	**-**	-

Note:

The Company provides the necessary operating and secretarial services, etc. to HDFC Trustee Company Limited to meet the operating and compliance requirements of the company in line with SEBI (Mutual Funds) Regulations, 1996. The Company does not charge any amount in line with practice followed by the mutual fund industry.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(b) Details of remuneration to Company's KMPs

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(A) Managing Director & Chief Executive Officer		
Short term employee benefits#	**9.00**	11.98
Post employment benefits	**0.37**	0.31
Other long term benefits	**0.12**	0.09
Share based payment	**1.13**	11.37
Other benefits	**0.07**	0.07
Total (A)	**10.69**	**23.82**
(B) Other Directors		
Directors Sitting Fees	**1.42**	1.58
Commission to Non Executive Directors*	**2.10**	1.81
Other benefits	**-**	0.02
Total (B)	**3.52**	**3.41**
Total Remuneration (A+B)	**14.21**	**27.23**

During the FY 20-21, an amount of ₹ 12.46 Crore was paid to the incoming Managing Director & Chief Executive Officer as one time payment and the same was being amortised as per the terms of the contract. Out of the same, Nil (Previous Year ₹ 3.66 Crore) forms part of Short term employee benefits above.

* Commission is approved by the Board of Directors within the limit as approved by the shareholders of the Company and will be paid post adoption of annual accounts by the shareholders.

(c) Details of dividend paid to Company's KMPs

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend on Equity Shares	**2.90**	2.70

(d) Details of dividend paid to close family members of Company's KMPs, Holding Company's KMPs and close family members of Holding Company's KMPs

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend on Equity Shares	**0.73**	0.02

Note 27 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit after tax for the year attributable to equity shareholders of the Company adjusted for the effects of all dilutive potential ordinary shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There is no effect of dilutive potential ordinary shares on profit after tax for the year attributable to equity shareholders of the Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

The relevant details as described above are as follows:

₹ (in Crore except equity share data)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax for the year (numerator for calculating Basic and Diluted EPS)	**2,460.19**	1,942.69
Weighted Average equity shares outstanding during the year	**21,36,34,816**	21,34,72,759

Following is the reconciliation between basic and diluted earnings per equity share:

₹

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Nominal value per share	**5.00**	5.00
Basic earnings per share	**115.16**	91.00
Effect of potential equity shares for stock options (per share)	**(0.41)**	(0.11)
Diluted earnings per share	**114.75**	90.89

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Weighted average number of equity shares used in computing basic earnings per equity share	**21,36,34,816**	21,34,72,759
Effect of potential equity shares for stock options outstanding	**7,65,889**	2,65,475
Weighted average number of equity shares used in computing diluted earnings per equity share	**21,44,00,705**	21,37,38,234
Weighted average number of anti dilutive options not considered in computing diluted earnings per equity share	**5,893**	84,131

Note 28 Leases

A. The Group has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Group. Right of Use asset has been included under the line 'Property, Plant and Equipment' and Lease liabilities has been included under 'Other Financial Liabilities' in the Consolidated Balance Sheet.

(i) Amounts recognised in the Consolidated Balance sheet

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Right of Use assets (net) (Property, Plant and Equipment)	**133.81**	113.35
(b) Lease liabilities		
Current	**31.29**	37.18
Non-current	**112.29**	87.77
Total Lease liabilities	**143.58**	**124.95**

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(c) Additions to the Right of Use assets	**68.21**	35.54

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(ii) Amounts recognised in the Consolidated Statement of Profit and Loss

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Depreciation charge for Right of Use assets	41.15	38.03
(b) Interest expense (included in finance costs)	9.41	9.09
(c) Expense relating to short term leases	1.52	0.60

(iii) Cash Flows

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
The total cash outflow of leases	49.35	45.50

(iv) Future Commitments

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Future undiscounted lease payments to which leases is not yet commenced	36.51	11.58

(v) Maturity analysis of undiscounted lease liabilities

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Before 3 months	10.97	11.37
3 – 6 months	10.34	11.33
6 – 12 months	19.28	22.45
1 – 3 years	61.59	54.20
3 – 5 years	36.96	30.65
Above 5 years	36.88	18.51
Total	**176.02**	**148.51**

(vi) All the future cash flows to which the lessee is potentially exposed are reflected in the measurement of lease liabilities.

(vii) The Group currently does not have any sale and lease back transactions.

B. Finance Lease

(i) The Company has provided vehicles to certain employees which have been treated as finance leases.

₹ (in Crore)

Quantitative Disclosures	For the year ended March 31, 2025	For the year ended March 31, 2024
Selling profit / (loss)	(0.02)	(0.01)
Finance income on the net investment in the lease	0.85	0.73
Lease income relating to variable lease payments not included in the measurement of the net investment in the lease	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(ii) Significant changes in the carrying amount of the net investment in the lease

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Lease receivables as at the beginning of the year	**9.45**	6.95
Add : Finance income on the net investment in the lease	**0.85**	0.73
Add : New leases entered during the year	**4.08**	5.84
Less : Lease payments received during the year	**4.95**	4.07
Lease receivables as at the end of the year	**9.43**	**9.45**

(iii) The following table sets out a maturity analysis of lease receivables:

₹ (in Crore)

Maturity Analysis of the Lease payments Receivables	As at March 31, 2025	As at March 31, 2024
Particulars	**Minimum Lease payments receivables**	**Minimum Lease payments receivables**
Less than one year	**4.63**	4.04
One to two years	**3.35**	3.60
Two to three years	**2.07**	2.18
Three to four years	**0.48**	0.87
Four to five years	**-**	-
More than five years	**-**	-
Total undiscounted lease payments receivable	**10.53**	**10.69**
Less: unearned finance income	**1.10**	1.24
Present value of lease receivables*	**9.43**	**9.45**

* Present value of lease receivables represent the Current Future Outstanding Principal.

(iv) Risk Management Framework for finance leases

The table represents categories of collaterals available against the finance lease exposures:

₹ (in Crore)

Particulars	Collateral available	As at March 31, 2025	As at March 31, 2024
Finance lease receivables	Hypothecation of the underlying car financed	**9.43**	9.45

The Company has framed Car Policy to provide use of the Company owned car for the commute from residence to workplace, for the discharge of their official functions and for personal use to certain selected employees of the Company. As per the Car Policy of the Company, the car is registered in the name of the Company and will remain the property of the Company till it is duly transferred to employee in accordance with the Car Policy and after recovery of all lease receivables. In case of separation of employee from the Company, outstanding lease receivables are recovered/adjusted from employee's full and final settlement in accordance with the Car Policy.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 29 Segment Information

(a) Description of segments and principal activities

The Group is in the business of providing asset management services to HDFC Mutual Fund & alternative investment funds and portfolio management & advisory services to clients. The Group's financial statements are largely reflective of the asset management business and accordingly there are no separate reportable segments as per Ind AS 108, Operating Segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the entity and assess the performance of the operating segment of the Group.

(b) Segment Revenue

The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

₹ (in Crore)

Revenue	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	**3,498.40**	2,584.37
Outside India	**0.04**	-
Total	**3,498.44**	**2,584.37**

(c) All assets of the Group are domiciled in India.

(d) Information about revenue from major customers

There is only one customer contributing in excess of 10% of the total revenue of the Group. The amounts for the same are as follows:

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from HDFC Mutual Fund	**3,481.91**	2,580.60

Note 30 Contingent Liabilities and Commitments

₹ (in Crore)

Particulars			As at March 31, 2025	As at March 31, 2024
(a)	Contingent liabilities:			
-	Claims against the Group not acknowledged as debt:			
	(i)	Disputed Income Tax demand	**7.54**	7.54
	(ii)	Disputed Goods and Services Tax demand	**0.20**	0.18
(b)	Commitments:			
	(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**5.68**	13.64
	(ii)	Uncalled liability on shares and other investments partly paid	**321.62**	275.02

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 31 Dividend Paid and Proposed

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividends on equity shares declared and paid during the year:		
Final dividend*		
Paid for the earlier financial year	-	1,024.65
Dividend per share for the earlier financial year (₹)	-	48.00
Interim dividend*		
Paid for the earlier financial year	**1,495.05**	-
Dividend per share for the earlier financial year (₹)	**70.00**	-
Total dividend paid	**1,495.05**	**1,024.65**
Dividend on Equity Shares proposed by the Board of Directors for approval at Annual General Meeting (not recognised as a liability at the respective year end)		
Final dividend for the same financial year*	**1,924.14**	1,494.39
Dividend per share for the same financial year (₹)*	**90.00**	70.00

* During the year ended March 31, 2025, the Company had declared and paid an interim dividend of ₹ 70 per equity share (face value of ₹ 5 each) for the year ended March 31, 2024 as approved by its Board of Directors at the meeting held on June 07, 2024 instead of the final dividend as proposed earlier on April 19, 2024. The same has also been confirmed by the Shareholders of the Company at the Annual General Meeting held on July 25, 2024.

Note 32 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital in a manner which enables it to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through operating cash flows and other equity. The management monitors the return on capital and the board of directors monitors the level of dividends paid to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. As of March 31, 2025 and March 31, 2024, the Company has only one class of equity shares and has no debt. In the absence of any debt, the monitoring of debt equity ratio may not be appropriate for the Group. As of March 31, 2025 the Equity Share Capital is ₹ 106.90 Crore (Previous Year: ₹ 106.74 Crore) and Other Equity is ₹ 8,023.09 Crore (Previous Year: ₹ 6,968.27 Crore). Certain minimum networth requirements for the business have been laid down by SEBI (for the Company) and by International Financial Services Centres Authority (for WOS), as applicable. The same is monitored on regular basis and have been complied with.

Note 33 Financial Instruments

A. Classification and Fair Values of Financial Assets & Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

₹ (in Crore)

Particulars	Carrying Amount				Fair Value			
As at March 31, 2025	FVTPL	FVOCI	Amortised Cost	Total Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in:								
Mutual Funds	7,507.56	-	-	7,507.56	7,322.68	184.88	-	7,507.56
Debt Securities	8.39	100.74	261.45	370.58	-	373.71	8.39	382.10
Equity Instruments	24.40	-	-	24.40	-	-	24.40	24.40
Alternative Investment Funds	345.66	-	-	345.66	-	37.42	308.24	345.66
Venture Capital Fund	6.64	-	-	6.64	-	-	6.64	6.64
Trade & Other Receivables*	-	-	145.50	145.50				145.50
Cash and Cash Equivalents*	-	-	12.13	12.13				12.13
Other Bank Balances*	-	-	29.67	29.67				29.67
Other Financial Asset*	-	-	27.77	27.77				27.77
Total	7,892.65	100.74	476.52	8,469.91	7,322.68	596.01	347.67	8,481.43
Financial Liabilities								
Trade Payables*	-	-	40.05	40.05				40.05
Other Financial Liabilities								
Lease Liabilities	-	-	143.58	143.58	-	145.53	-	145.53
Others*	-	-	101.61	101.61				101.61
Total Other Financial Liabilities	-	-	245.19	245.19	-	145.53	-	247.14
Total	-	-	285.24	285.24	-	145.53	-	287.19

*Fair value of cash and cash equivalents, other bank balances, trade & other receivables, other financial assets, trade payables and other financial liabilities (excluding lease liabilities) approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

₹ (in Crore)

Particulars	Carrying Amount				Fair Value			
As at March 31, 2024	FVTPL	FVOCI	Amortised Cost	Total Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in:								
Mutual Funds	6,648.64	-	-	6,648.64	6,477.06	171.58	-	6,648.64
Debt Securities	8.22	-	263.50	271.72	-	280.42	8.22	288.64
Equity Instruments	24.27	-	-	24.27	-	-	24.27	24.27
Alternative Investment Funds	206.07	-	-	206.07	-	34.78	171.29	206.07
Venture Capital Fund	5.33	-	-	5.33	-	-	5.33	5.33
Trade & Other Receivables*	-	-	106.45	106.45				106.45
Cash and Cash Equivalents*	-	-	10.33	10.33				10.33
Other Bank Balances*	-	-	29.69	29.69				29.69
Other Financial Asset*	-	-	21.16	21.16				21.16
Total	**6,892.53**	**-**	**431.13**	**7,323.66**	**6,477.06**	**486.78**	**209.11**	**7,340.58**
Financial Liabilities								
Trade Payables*	-	-	38.96	38.96				38.96
Other Financial Liabilities								
Lease Liabilities	-	-	124.95	124.95	-	125.92	-	125.92
Others*	-	-	81.92	81.92				81.92
Total Other Financial Liabilities	**-**	**-**	**206.87**	**206.87**	**-**	**125.92**	**-**	**207.84**
Total	**-**	**-**	**245.83**	**245.83**	**-**	**125.92**	**-**	**246.80**

*Fair value of cash and cash equivalents, other bank balances, trade & other receivables, other financial assets, trade payables and other financial liabilities (excluding lease liabilities) approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

For the purpose of disclosure, quoted price is considered as the fair value of financial assets that are measured at amortised cost. However, they are shown under level 2 in the fair value hierarchy as they are thinly traded.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

B. Fair value hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

The hierarchy used is as follows :

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Investment in open ended Mutual Funds are included in Level 1.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Lease liabilities and Investment in close ended Mutual Funds, Alternative Investment Fund and Debt Securities that are not traded in active market are included in Level 2.

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Investment in unlisted Debt Securities, unlisted Equity Instruments, Alternative Investment Funds and Venture Capital Fund are included in Level 3.

C. Valuation techniques used to determine fair value

Financial instrument	Valuation technique
Mutual Funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed / quoted price
Debt Securities	Discounted cash flow based on present value of the expected future economic benefit / quoted price
Equity Instruments	Underlying Asset Approach / Discounted cash flow based on present value of the expected future economic benefit
Alternative Investment Funds and Venture Capital Fund	Net Asset Value (NAV) provided by issuer fund which is arrived at based on valuation from independent valuer for unlisted portfolio companies, quoted price of listed portfolio companies and price of recent investments
Lease Liabilities	Discounted cash flows based on present value of expected payments, discounted using a risk-adjusted discount rate

In order to assess Level 3 valuations as per Investment policy, the management reviews the performance of the investee companies (including unlisted portfolio companies of venture capital fund and alternative investment funds) on a regular basis by tracking their latest available information, valuation report of independent valuers, recent transaction results, investor reports etc. which are considered in valuation process.

The finance department of the Company includes the team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair value. The team reports directly to the Chief Financial Officer (CFO) of the Company. Discussions of valuation processes and results are held between the valuation team and the senior management at least once every three months which is in line with the Company's quarterly reporting periods.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

D. Valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement.

As at March 31, 2025

Financial Instrument	Significant unobservable inputs	Probability weights/ range	Sensitivity of input to fair value measurement
Debt Securities	Valuation Factor	10% - 20%	A 10% increase in the valuation factor would decrease the carrying value of investment by ₹ 0.84 Crore. A 10% decrease in the valuation factor would increase the carrying value of investment by ₹ 0.84 Crore.
Equity Instruments	Valuation Factor	10% - 20%	A 10% increase in the valuation factor would decrease the carrying value of investment by ₹ 2.44 Crore. A 10% decrease in the valuation factor would increase the carrying value of investment by ₹ 2.44 Crore.
Alternative Investment Funds	Net Asset Value (NAV)	0.90x -1.10x	A 10% increase in the NAV would increase the carrying value of investment by ₹ 30.83 Crore. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 30.83 Crore.
Venture Capital Fund	Net Asset Value (NAV)	0.90x -1.10x	A 10% increase in the NAV would increase the carrying value of investment by ₹ 0.66 Crore. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 0.66 Crore.

As at March 31, 2024

Financial Instrument	Significant unobservable inputs	Probability weights/range	Sensitivity of input to fair value measurement
Debt Securities	Valuation Factor	10% - 20%	A 10% increase in the valuation factor would decrease the carrying value of investment by ₹ 0.82 Crore. A 10% decrease in the valuation factor would increase the carrying value of investment by ₹ 0.82 Crore.
Equity Instruments	Valuation Factor	10% - 20%	A 10% increase in the valuation factor would decrease the carrying value of investment by ₹ 2.43 Crore. A 10% decrease in the valuation factor would increase the carrying value of investment by ₹ 2.43 Crore.
Alternative Investment Funds	Net Asset Value (NAV)	0.90x -1.10x	A 10% increase in the NAV would increase the carrying value of investment by ₹ 17.13 Crore. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 17.13 Crore.
Venture Capital Fund	Net Asset Value (NAV)	0.90x -1.10x	A 10% increase in the NAV would increase the carrying value of investment by ₹ 0.53 Crore. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 0.53 Crore.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

E. Fair value measurement using significant unobservable inputs (level 3)

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

₹ (in Crore)

Particulars	Debt Securities	Equity Instruments	Alternative Investment Funds	Venture Capital Fund	Total
Balance as at April 01, 2023	7.41	23.18	127.57	23.20	181.36
Net gain / (losses) on Financial Instruments recognised in the Consolidated Statement of Profit and Loss	0.81	1.09	11.45	(7.21)	6.14
Purchases of Financial Instruments	-	-	61.90	-	61.90
Sales of Financial Instruments	-	-	(29.63)	(10.66)	(40.29)
Balance as at March 31, 2024	**8.22**	**24.27**	**171.29**	**5.33**	**209.11**
Net gain / (losses) on Financial Instruments recognised in the Consolidated Statement of Profit and Loss	**0.17**	**0.13**	**4.31**	**1.31**	**5.92**
Purchases of Financial Instruments	**-**	**-**	**147.98**	**-**	**147.98**
Sales of Financial Instruments	**-**	**-**	**(15.34)**	**-**	**(15.34)**
Balance as at March 31, 2025	**8.39**	**24.40**	**308.24**	**6.64**	**347.67**

F. Financial Risk Management

Risk management is an integral part of the business practices of the Group. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The financial risks are managed in accordance with the policy on enterprise risk management which has been approved by the Board of Directors. The Company's Board of Directors has ultimate responsibility for monitoring the risk profile of the Company. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives.

The Audit Committee of the Company reviews the development and implementation of the policy on enterprise risk management of the Company on periodic basis. The Audit Committee provides guidance on the risk management activities, review the results of the risk management process and reports to the Board of Directors on the status of the risk management initiatives.

The Group has exposure to the following risks arising from Financial Instruments:

Risk	Exposure arising from
Credit Risk	Cash and cash equivalents, other bank balances, trade & other receivables, other financial assets measured at amortised cost, and debt securities measured at FVOCI
Liquidity Risk	Financial liabilities
Market Risk - Foreign Exchange	Recognised financial assets not denominated in ₹
Market Risk - Interest Rate	Investments in debt securities / Fixed deposits with Bank
Market Risk - Price	Investments in equity securities, units of mutual funds, debt securities measured at FVTPL, venture capital fund, alternative investment funds and debt securities measured at FVOCI

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables, cash and cash equivalents, other bank balances, other financial assets measured at amortised cost and debt securities measured at FVOCI.

Exposure to credit risk is mitigated through regular monitoring of collections, counterparty's creditworthiness and diversification in exposure.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, other bank balances, trade and other receivables, other financial assets measured at amortised cost and debt securities measured at FVOCI.

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Maximum exposure to credit risk	**577.17**	431.13

Expected Credit Loss (ECL) on Financial Assets

The Group continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Group assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Group applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Group's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with contract and the cash flows that the Group expects to receive).

The Group has four types of financial assets that are subject to the expected credit loss:

- Trade & other receivables and other financial assets
- Cash and cash equivalents and other bank balances
- Investment in debt securities measured at amortised cost
- Investment in debt securities measured at FVOCI

Trade & Other Receivables and Other Financial Assets

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Group has a contractual right to such receivables as well as control over preponderant amount of such funds due from customers, the Group does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

The Group has placed security deposit with lessors for premises leased by the Group. The Group does not perceive any significant decline in credit risk profile of the lessors where the amount of security deposit is material and hence expected probability of default is considered as zero.

Cash and Cash Equivalents and Other Bank Balances

The Group holds cash and cash equivalents and other bank balances as per note 4 and 5. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Investment in Debt Securities measured at amortised cost

The Group has made investments in tax free bonds. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Group avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

Investment in debt securities that are in tax free bonds do not carry any credit risk, being sovereign in nature. Accordingly, the expected probability of default is low.

Investment in Debt Securities measured at FVOCI

The Group has made investments in non-convertible debentures. Funds are invested after taking into account parameters like liquidity, credit rating, safety and sound financial position of the counterparties. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Accordingly, the expected probability of default is low.

ii. Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms.

To limit this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. The Group has developed internal control processes for managing liquidity risk.

The Group maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Group assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group.

Exposure to Liquidity Risk

The table below analyses the Group's financial liabilities into relevant maturity pattern based on their contractual maturities for all financial liabilities.

₹ (in Crore)

As at March 31, 2025	Carrying amount	Contractual Cash Flows		
		Total	1 year or less	More than 1 year
Financial Liabilities				
Trade Payables	**40.05**	**40.05**	**40.05**	**-**
Lease Liabilities (remaining contractual maturities)	**143.58**	**176.02**	**40.59**	**135.43**
Other Financial Liabilities (excluding Lease Liabilities)	**101.61**	**101.61**	**101.61**	**-**
Total	**285.24**	**317.68**	**182.25**	**135.43**

₹ (in Crore)

As at March 31, 2024	Carrying amount	Contractual Cash Flows		
		Total	1 year or less	More than 1 year
Financial Liabilities				
Trade Payables	38.96	38.96	38.96	-
Lease Liabilities (remaining contractual maturities)	124.95	148.51	45.15	103.36
Other Financial Liabilities (excluding Lease Liabilities)	81.92	81.92	81.92	-
Total	**245.83**	**269.39**	**166.03**	**103.36**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

iii. Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Group is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Currency Risk

The Group has insignificant amount of foreign currency denominated assets. Accordingly, the exposure to currency risk is insignificant.

Interest Rate Risk

The Group's investments are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is also insignificant.

Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market. The Group's exposure to price risk arises from investments in equity securities, debt securities, units of mutual funds, venture capital fund and alternative investment funds which are classified as financial assets at Fair Value Through Profit or Loss and debt securities classified at Fair Value Through Other Comprehensive Income are as follows:

₹ (in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Exposure to price risk	**7,993.39**	6,892.53

To manage its price risk from investments in equity securities, debt securities, units of mutual funds, venture capital fund and alternative investment funds, the Group diversifies its portfolio.

Sensitivity Analysis

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices by 5%:

₹ (in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Financial assets measured at FVTPL:		
Effect on Profit and Loss and Equity		
5% increase in the prices	**394.63**	344.63
5% decrease in the prices	**(394.63)**	(344.63)
Debt securities measured at FVOCI:		
Effect on Equity		
5% increase in the prices	**5.04**	-
5% decrease in the prices	**(5.04)**	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 34 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ (in Crore)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and Cash Equivalents	**12.13**	**-**	**12.13**	10.33	-	10.33
Bank Balance other than above	**29.67**	**-**	**29.67**	29.69	-	29.69
Receivables						
(i) Trade Receivables	**133.66**	**-**	**133.66**	93.27	-	93.27
(ii) Other Receivables	**7.02**	**4.82**	**11.84**	7.77	5.41	13.18
Investments	**2,033.70**	**6,221.14**	**8,254.84**	1,616.85	5,539.18	7,156.03
Other Financial Assets	**13.47**	**14.30**	**27.77**	6.16	15.00	21.16
Sub total - Financial Assets	**2,229.65**	**6,240.26**	**8,469.91**	**1,764.07**	**5,559.59**	**7,323.66**
Non-Financial Assets						
Current Tax Assets (net)	**-**	**32.77**	**32.77**	-	31.12	31.12
Property, Plant and Equipment	**-**	**182.64**	**182.64**	-	137.68	137.68
Intangible Assets Under Development	**-**	**0.37**	**0.37**	-	0.87	0.87
Goodwill	**-**	**6.04**	**6.04**	-	6.04	6.04
Other Intangible Assets	**-**	**9.61**	**9.61**	-	8.92	8.92
Other Non-Financial Assets	**35.40**	**13.92**	**49.32**	34.01	11.55	45.56
Sub total - Non Financial Assets	**35.40**	**245.35**	**280.75**	**34.01**	**196.18**	**230.19**
Total Assets	**2,265.05**	**6,485.61**	**8,750.66**	**1,798.08**	**5,755.77**	**7,553.85**
Liabilities						
Financial Liabilities						
Payables						
Trade payables						
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	**1.74**	**-**	**1.74**	1.08	-	1.08
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	**38.31**	**-**	**38.31**	37.88	-	37.88
Other Financial Liabilities	**132.90**	**112.29**	**245.19**	119.11	87.76	206.87
Sub total - Financial Liabilities	**172.95**	**112.29**	**285.24**	**158.07**	**87.76**	**245.83**
Non Financial Liabilities						
Current Tax Liabilities (net)	**19.72**	**-**	**19.72**	6.26	-	6.26
Provisions	**2.79**	**17.97**	**20.76**	2.14	14.29	16.43
Deferred Tax Liabilities (net)	**-**	**210.80**	**210.80**	-	115.56	115.56
Other Non-Financial Liabilities	**84.15**	**-**	**84.15**	94.76	-	94.76
Sub total - Non Financial Liabilities	**106.66**	**228.77**	**335.43**	**103.16**	**129.85**	**233.01**
Total Liabilities	**279.61**	**341.06**	**620.67**	**261.23**	**217.61**	**478.84**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Note 35 Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

₹ (in Crore)

Name of the entity in the Group	March 31, 2025							
	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
HDFC Asset Management Company Limited	**99.63**	**8,100.11**	**100.03**	**2,461.05**	**138.31**	**(2.78)**	**100.00**	**2,458.27**
Indian Subsidiary								
HDFC AMC International (IFSC) Limited	**0.37**	**29.88**	**(0.03)**	**(0.86)**	**(38.31)**	**0.77**	**(0.00)**	**(0.09)**
Non-controlling interest in subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**100.00**	**8,129.99**	**100.00**	**2,460.19**	**100.00**	**(2.01)**	**100.00**	**2,458.18**

₹ (in Crore)

Name of the entity in the Group	As at March 31, 2024							
	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
HDFC Asset Management Company Limited	99.58	7,045.07	100.16	1,945.88	85.03	(1.59)	100.18	1,944.29
Indian Subsidiary								
HDFC AMC International (IFSC) Limited	0.42	29.94	(0.16)	(3.19)	14.97	(0.28)	(0.18)	(3.47)
Non-controlling interest in subsidiary	-	-	-	-	-	-	-	-
Total	**100.00**	**7,075.01**	**100.00**	**1,942.69**	**100.00**	**(1.87)**	**100.00**	**1,940.82**

Note 36 Statutory disclosure required as per Schedule III Division III of the Companies Act, 2013

(i) Relationship with Struck off Companies

The transactions with the companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 are disclosed below:

Sr. No.	Name of struck off Company	Nature of transactions with struck-off Company	As at March 31, 2025			As at March 31, 2024		
			Transaction during the year	Balance outstanding	Relationship with the Struck off company	Transaction during the year	Balance outstanding	Relationship with the Struck off company
1	Vitalink Wealth Advisory Services Private Limited	Shares held by struck off company (no.)	**-**	**13**	**None**	-	13	None
		Dividend paid during the year (₹)	**910**	**-**	**None**	624	-	None
2	Manbhawani Investment Limited	Shares held by struck off company (no.)	**-**	**258**	**None**	-	-	None
3	Durga Processors Private Limited	Shares held by struck off company (no.)	**-**	**48**	**None**	-	-	None

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(ii) The Group is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(iii) The Group does not have any transactions which were not recorded in the books of account, but offered as income during the year in the income tax assessment.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) No funds have been advanced/loaned/invested (from borrowed funds or from share premium or from any other sources/ kind of funds) by the Group to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 37

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 Group 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.

As per our report attached of even date

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai, April 17, 2025

For and on behalf of the Board of Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

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

Naozad Sirwalla
Chief Financial Officer

Sonali Chandak
Company Secretary
(ACS: 18108)

NOTES



HDFC Asset Management Company Limited

CIN: L65991MH1999PLC123027

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