

Annexure 1

Disclosures to be provided along with the application for listing

1. Issuer Details:

1.1 Details of the Issuer:

- 1.1.1 **Name** : HDFC Securities Limited
- 1.1.2 **Address** : I Think Techno Campus, Building – B “Alpha”, Office Floor 8,
Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East),
Mumbai-400042
- 1.1.3 **CIN** : U67120MH2000PLC152193
- 1.1.4 **PAN** : AAACH8215R
- b. **Line of Business** : Stock Broking and Related Activities
- c. **Chief Executive** : Dhiraj Relli, Managing Director
- d. **Group affiliation (if any)** : Promoted by HDFC Bank Ltd.

1.2 Details of Director as on Last Quarter end date :

Name, Designation & DIN	Age	Address	Director Since	List of other directorships
Mr. Dhiraj Relli (DIN 07151265) Managing Director	53 Years	A-2902, Lodha, Bellissimo, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400011.	01/05/2015	NA
Mr. Ashish Kamalkishore Rathi (DIN 07731968) Wholetime Director	44 Years	1302, Galassia CHS Limited, CTS No.53A, I. C. Colony Extn., Kanderpada, Dahisar (W), Mumbai- 400068	01/04/2017	NA
Dr. (Mrs.) Amla Ashim Samanta (DIN 00758883) Director	68 Years	13 th Meera Baug, Santacruz (West), Mumbai- 400054	09/07/2014	<ul style="list-style-type: none">• Samanta Movies Pvt. Ltd.• Shakti Cine Studios Pvt. Ltd.• HDB Financial Services Ltd.• Synermed Biologicals Private Limited
Mr. Samir Bhatia (DIN 01769655) Director	60 Years	Beaumonde Tower A, 301/303, Appasahe Marathe Marg, Prabhadevi, Mumbai-400025	05/07/2019	<ul style="list-style-type: none">• Digikretik Finance Pvt. Ltd.
Mr. Malay Patel (DIN 06876386) Director	46 Years	22/A, "JAY-YOG", Laxmi Society, B/H UTI bank, Law Garden, Ellis bridge, Ahemdabad-380006	29/01/2020	<ul style="list-style-type: none">• Eewa Engineering Company Pvt. Ltd
Mr. Neeraj Swaroop (DIN 00061170) Director	65 Years	1104 Signia isles, Bandra Kurla Complex, Mumbai 400051	08/06/2022	<ul style="list-style-type: none">• Avanse Financial Services Limited• SBFC Finance Private Limited• Spandana Sphoorty Financial Limited
Mr. Tarun Balram (DIN 02445298) Director	58 Years	Flat No. 503, Tower 17, Commonwealth Game Village, Delhi – 110092	08/06/2022	<ul style="list-style-type: none">• DCB Bank Limited
Mr. Arvind Vohra (DIN 08016740) Director	52 Years	2003, Glenclassic, Hiranandani Gardens, Powai, Mumbai	09/01/2023	NA

1.3 Details of change in directors in last three financial years including any change in the current year:

Name, Designation and DIN	Date of Appointment	Date of cessation (in case of resignation)	Remarks (viz. reasons for change etc)
Mr. Bhavesh Zaveri (DIN 01550468) Additional Director	16/07/2018	24/04/2019	Personal
Mrs. Shobhasingh Rajaramsingh Thakur (DIN 00001466) Director	Org App: 28/01/2004 Chg of Des: 12/06/2015	24/04/2019	Personal
Dr. (Mrs.) Amla Ashim Samanta (DIN 00758883) Director	09/07/2014	NA	
Mr. Samir Bhatia (DIN 01769655) Director	05/07/2019	NA	-
Mr. Malay Patel (DIN 06876386) Director	29/01/2020	NA	-
Mr. Abhay Aima (DIN 00581469) Director	27/07/2006	15/07/2021	Personal
Mr. Jagdish Capoor (DIN 00002516) Director	19/09/2013	13/01/2022	Personal
Mr. Bharat Shah DIN: 00136969 Director	07/07/2001	28/02/2022	Personal
Mr. Neeraj Swaroop (DIN 00061170) Director	08/06/2022	NA	-
Mr. Tarun Balram (DIN 02445298) Director	08/06/2022	NA	-
Mr. Arvind Vohra (DIN 08016740) Director	09/01/2023	NA	-

1.4 List of top 10 holders of equity shares of the company as on ~~date of~~ the latest quarter ended:-

S. No	Name and category of shareholder	Total No. of equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares
1	HDFC Bank Limited	15190044	15190044	95.13
2	HDB Welfare Trust (Ashish Parthasarthy)	40500	40500	0.25
3	Dhiraj Relli	38000	38000	0.24
4	Adil Patrawala	20550	20550	0.13
5	Akshay Ganesh Iyer	19000	19000	0.12
6	Sanju Verma	18750	18750	0.12
7	Narendra Purushottam Hiranandani	16705	16705	0.08
8	Kamala Sundaram	12875	12875	0.08
9	Siddhartha M Khiraya	12000	12000	0.08

10	Sudhir Moreshwar Joshi	10000	10000	0.06
10	Manish Dabir	10000	10000	0.06

1.5 **Details of Statutory Auditor:**

Name and address	Date of Appointment	Remarks
M/s. S. R. Batliboi & Co. LLP, Chartered Accountants 12th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028	13 July 2023	

1.6 **Details of the change in Statutory Auditors in last three financial years including any change in current year:**

Name and address	Date of Appointment	Date of cessation (in case of resignation)	Remark (viz. reasons for change etc.)
M/s. BSR & Co., LLP., 5 th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011	21 June 2017	13 July 2023	-----

1.7 **List of top 10 debt securities holders as on ~~date~~ or the latest quarter end:**

1	SBI MF	Commercial Paper	Rs. 5 Lacs	25.89%
2	ICICI Prudential MF	Commercial Paper	Rs. 5 Lacs	14.50%
3	UTI MF	Commercial Paper	Rs. 5 Lacs	9.32%
4	HSBC MF	Commercial Paper	Rs. 5 Lacs	6.73%
5	Kotak Mahindra MF	Commercial Paper	Rs. 5 Lacs	5.28%
6	ADITYA BIRLA MF	Commercial Paper	Rs. 5 Lacs	4.71%
7	Axis MF	Commercial Paper	Rs. 5 Lacs	4.71%
8	Tata MF	Commercial Paper	Rs. 5 Lacs	4.14%
9	Invesco MF	Commercial Paper	Rs. 5 Lacs	3.63%
10	BANDHAN MF	Commercial Paper	Rs. 5 Lacs	2.59%

1.8 **List of top 10 Commercial paper as on ~~date~~ or the latest quarter end:**

1	SBI MF	Commercial Paper	Rs. 5 Lacs	25.89%
2	ICICI Prudential MF	Commercial Paper	Rs. 5 Lacs	14.50%
3	UTI MF	Commercial Paper	Rs. 5 Lacs	9.32%
4	HSBC MF	Commercial Paper	Rs. 5 Lacs	6.73%
5	Kotak Mahindra MF	Commercial Paper	Rs. 5 Lacs	5.28%
6	ADITYA BIRLA MF	Commercial Paper	Rs. 5 Lacs	4.71%
7	Axis MF	Commercial Paper	Rs. 5 Lacs	4.71%
8	Tata MF	Commercial Paper	Rs. 5 Lacs	4.14%
9	Invesco MF	Commercial Paper	Rs. 5 Lacs	3.63%
10	BANDHAN MF	Commercial Paper	Rs. 5 Lacs	2.59%

2. **Material information:**

- 2.1 Details of all default/s and/or delay in payments of interest and principal of CPs, (including technical delay), debt securities, term loans, external commercial borrowings and other financial indebtedness including corporate guarantee issued in the past 5 financial years including in the current financial year. **NA**
- 2.2 Ongoing and/or outstanding material litigation and regulatory strictures, if any. **NA**

2.3 Any material event/ development having implications on the financials/credit quality including any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event which may affect the issue or the investor's decision to invest / continue to invest in the CP. **NA**

3. Details of borrowings of the company, as on the latest quarter end:

3.1 Details of debt securities and CPs:

Series	ISIN	Tenors	Coupon	Amount Issued	Date of Allotment	Redemption	Credit Rating	Secured/ Unsecured	Security	Other Details viz Details of IPA, Details of CRA
BRITANNI A INDUSTRIES LIMITED\HSL\CP\23-24\152	INE700G14IH5	74	8.40%	25 Crs	19-Jan-24	2-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
BRITANNI A INDUSTRIES LIMITED\HSL\CP\23-24\153	INE700G14IG7	75	8.40%	25 Crs	19-Jan-24	3-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
BRITANNI A INDUSTRIES LIMITED\HSL\CP\23-24\172	INE700G14IR4	55	8.60%	25 Crs	9-Feb-24	4-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
BRITANNI A INDUSTRIES LIMITED\HSL\CP\23-24\173	INE700G14IS2	56	8.60%	25 Crs	9-Feb-24	5-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
THE ANUP ENGINEERING LTD\HSL\CP\23-24\174	INE700G14IS2	56	8.60%	25 Crs	9-Feb-24	5-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Axis MF\HSL\	INE700G14IE2	91	8.49%	250 Crs	18-Jan-24	18-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank

CP\23-24\145										
Axis MF\HSL\CP\23-24\146	INE700G14IE2	91	8.49%	50 Crs	18-Jan-24	18-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
ADITYA BIRLA MF\HSL\CP\23-24\147	INE700G14IE2	91	8.49%	5 Crs	18-Jan-24	18-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Bandhan MF\HSL\CP\23-24\149	INE700G14IE2	91	8.49%	200 Crs	18-Jan-24	18-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
LARSEN & TOUBRO INFOTECH LIMITED\HSL\CP\23-24\148	INE700G14IF9	91	8.49%	50 Crs	19-Jan-24	19-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
LIC MF\HSL\CP\23-24\150	INE700G14IF9	91	8.49%	75 Crs	19-Jan-24	19-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
TATA MF\HSL\CP\23-24\151	INE700G14IF9	91	8.49%	200 Crs	19-Jan-24	19-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
EDELWISS MF\HSL\CP\23-24\154	INE700G14IJ1	90	8.49%	75 Crs	23-Jan-24	22-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Baroda MF\HSL\CP\23-24\155	INE700G14IJ1	90	8.49%	150 Crs	23-Jan-24	22-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Axis MF\HSL\CP\23-24\161	INE700G14IJ1	84	8.70%	5 Crs	29-Jan-24	22-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
ADITYA BIRLA MF\HSL\CP\23-24\159	INE700G14II3	91	8.49%	200 Crs	29-Jan-24	29-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
SBI MF\HSL\	INE700G14II3	91	8.70%	400 Crs	29-Jan-24	29-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank

CP\23-24\160										
SBI MF\HSL\CP\23-24\162	INE700G14IL7	91	8.70%	400 Crs	30-Jan-24	30-Apr-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
L&T Technology Services Ltd\HSL\CP\23-24\163	INE700G14IM5	91	8.70%	25 Crs	2-Feb-24	3-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
HINDALCO INDUSTRIES LTD\HSL\CP\23-24\164	INE700G14IM5	91	8.70%	50 Crs	2-Feb-24	3-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
LIC MF\HSL\CP\23-24\165	INE700G14IM5	91	8.70%	15 Crs	2-Feb-24	3-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Bajaj MF\HSL\CP\23-24\166	INE700G14IN3	91	8.70%	50 Crs	5-Feb-24	6-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Invesco MF\HSL\CP\23-24\167	INE700G14IN3	90	8.70%	150 Crs	6-Feb-24	6-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
UTI MF\HSL\CP\23-24\168	INE700G14IO1	91	8.65%	150 Crs	6-Feb-24	7-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
UTI MF\HSL\CP\23-24\0175	INE700G14IO1	88	8.75%	150 Crs	9-Feb-24	7-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Mirae MF\HSL\CP\23-24\0169	INE700G14IP8	91	8.65%	75 Crs	7-Feb-24	8-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
TRANSPORT CORPORATION OF	INE700G14IQ6	91	8.63%	25 Crs	8-Feb-24	9-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank

INDIA\HSL\CP\23-24\0170										
L&T Technology Services Ltd\HSL\CP\23-24\171	INE700G14IQ6	91	8.63%	25 Crs	8-Feb-24	9-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Nippon MF\HSL\CP\23-24\0176	INE700G14IU8	91	8.75%	250 Crs	12-Feb-24	13-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Bajaj Finserv MF\HSL\CP\23-24\0177	INE700G14IV6	91	8.75%	25 Crs	13-Feb-24	14-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
LARSEN & TOUBRO INFOTECH LIMITED\HSL\CP\23-24\178	INE700G14IV6	91	8.75%	50 Crs	13-Feb-24	14-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
AIA ENGINEERING LTD\HSL\CP\23-24\179	INE700G14IV6	91	8.75%	25 Crs	13-Feb-24	14-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
UTI MF\HSL\CP\23-24\0180	INE700G14IV6	91	8.85%	200 Crs	13-Feb-24	14-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
DSP MF\HSL\CP\23-24\0181	INE700G14IV6	91	8.85%	200 Crs	13-Feb-24	14-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank

DSP MF\HSL\ CP\23- 24\0182	INE700G 14IV6	91	8.85%	50 Crs	13-Feb- 24	14- May-24	ICRA A1+ & CARE A1+	Unsec ured	NA	HDFC Bank
Tata MF\HSL\C P\23- 24\183	INE700G 14IW4	91	8.85%	200 Crs	16-Feb- 24	17- May-24	ICRA A1+ & CARE A1+	Unsec ured	NA	HDFC Bank
SBI MF\HSL\C P\23- 24\184	INE700G 14IW4	91	8.85%	400 Crs	16-Feb- 24	17- May-24	ICRA A1+ & CARE A1+	Unsec ured	NA	HDFC Bank
ICICI PRUDENT IAL MF\HSL\C P\23- 24\0185	INE700G 14IX2	91	8.75%	250 Crs	20-Feb- 24	21- May-24	ICRA A1+ & CARE A1+	Unsec ured	NA	HDFC Bank
Mirae MF\HSL\ CP\23- 24\186	INE700G 14IZ7	91	8.80%	50 Crs	21-Feb- 24	22- May-24	ICRA A1+ & CARE A1+	Unsec ured	NA	HDFC Bank
SHARRP VENTURE S CAPITAL Pvt Ltd.\HSL\ CP\23- 24\187	INE700G 14IZ7	91	8.80%	20 Crs	21-Feb- 24	22- May-24	ICRA A1+ & CARE A1+	Unsec ured	NA	HDFC Bank
HSBC MF\HSL\ CP\23- 24\188	INE700G 14IZ7	91	8.80%	50 Crs	21-Feb- 24	22- May-24	ICRA A1+ & CARE A1+	Unsec ured	NA	HDFC Bank
Kotak Mahindra MF\HSL\ CP\23- 24\189	INE700G 14IZ7	90	8.80%	250 Crs	22-Feb- 24	22- May-24	ICRA A1+ & CARE A1+	Unsec ured	NA	HDFC Bank

Kotak Mahindra MF\HSL\CP\23-24\0190	INE700G14IY0	91	8.80%	250 Crs	23-Feb-24	24-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
ICICI PRUDENTIAL MF\HSL\CP\23-24\0191	INE700G14JA8	91	8.70%	250 Crs	26-Feb-24	27-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Mrs. The Sandur manganese and Iron Ores Ltd\HSL\CP\23-24\192	INE700G14JB6	91	8.60%	25 Crs	27-Feb-24	28-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
ICICI PRUDENTIAL MF\HSL\CP\23-24\193	INE700G14JC4	91	8.55%	250 Crs	29-Feb-24	30-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
HSBC MF\HSL\CP\23-24\194	INE700G14JC4	91	8.55%	300 Crs	29-Feb-24	30-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Aditya Birla MF\HSL\CP\23-24\195	INE700G14JD2	91	8.48%	250 Crs	1-Mar-24	31-May-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
SBI MF\HSL\CP\23-24\196	INE700G14JE0	91	8.43%	250 Crs	5-Mar-24	4-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
SBI MF\HSL\CP\23-24\197	INE700G14JG5	91	8.43%	250 Crs	6-Mar-24	5-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank

P\23-24\197										
Bajaj Finserv MF\HSL\C P\23-24\198	INE700G 14JF7	91	8.40%	50 Crs	7-Mar-24	6-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Union MF\HSL\C P\23-24\199	INE700G 14JF7	91	8.40%	50 Crs	7-Mar-24	6-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
BANK OF INDIA MF\HSL\C P\23-24\200	INE700G 14JF7	91	8.37%	25 Crs	7-Mar-24	6-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
HSBC MF\HSL\C P\23-24\0201	INE700G 14JH3	91	8.33%	300 Crs	12-Mar-24	11-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Invesco MF\HSL\C P\23-24\0202	INE700G 14JH3	91	8.33%	200 Crs	12-Mar-24	11-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
BANK OF INDIA MF\HSL\C P\23-24\0203	INE700G 14JH3	91	8.33%	25 Crs	12-Mar-24	11-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
UTI MF\HSL\C P\23-24\0204	INE700G 14J11	91	8.33%	400 Crs	15-Mar-24	14-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
SBI MF\HSL\C P\23-24\205	INE700G 14J11	88	8.21%	400 Crs	18-Mar-24	14-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
SBI MF\HSL\C	INE700G 14JJ9	91	8.21%	400 Crs	19-Mar-24	18-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank

CP\23-24\206										
Sundaram MF\HSL\CP\23-24\0207	INE700G14JJ9	91	8.21%	75 Crs	19-Mar-24	18-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Canara Robeco MF\HSL\CP\23-24\0208	INE700G14JK7	91	8.21%	100 Crs	20-Mar-24	19-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
Kotak Mahindra MF\HSL\CP\23-24\0213	INE700G14JK7	85	8.15%	10 Crs	26-Mar-24	19-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
ICICI PRUDENTIAL MF\HSL\C P\23-24\0209	INE700G14JM3	91	8.17%	250 Crs	21-Mar-24	20-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
ICICI PRUDENTIAL MF\HSL\C P\23-24\0210	INE700G14JL5	91	8.17%	200 Crs	22-Mar-24	21-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
UNION MF\HSL\CP\23-24\0211	INE700G14JL5	91	8.17%	25 Crs	22-Mar-24	21-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank
ICICI PRUDENTIAL MF\HSL\C P\23-24\0212	INE700G14JN1	91	8.15%	200 Crs	26-Mar-24	25-Jun-24	ICRA A1+ & CARE A1+	Unsecured	NA	HDFC Bank

3.2 Details of secured/ unsecured loan facilities/ bank fund based facilities/ rest of the borrowing, if any, including hybrid debt like foreign currency convertible bonds (FCCB), optionally convertible debentures / preference shares from banks or financial institutions or financial creditors, as on latest quarter end:

Lender's Name/ Name of Bank	Nature of Facility/ Instrument	Amount Sanctioned (Rs. Crs.)	Principal Amount O/S	Repayment date / schedule	Security, if applicable	Credit rating, if applicable	Asset classification
HDFC Bank	CC Limit/Intrad ay	206	NIL	-	Book Debts	A1+ & AAA By CRISIL / ICRA	-
Indusind Bank	CC Limit	200	NIL	-	Book Debts	A1+ & AAA By CRISIL / ICRA	-
State Bank of India	OD Facility against FD	1421	NIL	-	FD	-	-

3.3 The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued, contingent liability including debt service reserve account (DSRA) guarantees/ any put option etc. - **NA**

4. Issue Information:

4.1 Details of current tranche including ISIN, amount, date of issue, maturity, all credit ratings including unaccepted ratings, date of rating, name of credit rating agency, its validity period (details of credit rating letter issued not older than one month on the date of opening of the issue), details of issuing and paying agent and other conditions, if any.

ISIN	Amt (Rs. Crs)	Date of Allotment	Maturity Date	Rating & Agency	Date of Rating & Validity	IPA
INE700G14KV2	345	16/07/2024	15/10/2024	A1+ ICRA A1+ CARE	ICRA – 20- Jun-24 (Validity – 1 year) CARE – 21- Jun-24 (Validity –1 Year)	HDFC Bank

4.2 CP borrowing limit, supporting board resolution for CP borrowing, detail of CP issued during last 15 months:-
 CP Borrowing Limit – Rs. 13000 Crs Board Resolution for CP Borrowing– Attached
Details CP Issued during the last 15 months - IPA – HDFC Bank Rating– A1+ CRISIL & A1+ ICRA

ISIN	Issue Date	Amount (Rs. Crs.)	Maturity Date	Amount O/S (Rs. Crs.)	Rated Amount (Rs. Crs.)
INE700G14BV1	06-May-2022	50	04-Aug-2022	-	6000
INE700G14BW9	09-May-2022	200	08-Jun-2022	-	6000
INE700G14BX7	13-May-2022	200	10-Aug-2022	-	6000
INE700G14BY5	17-May-2022	50	12-Aug-2022	-	6000
INE700G14BZ2	20-May-2022	200	19-Aug-2022	-	6000
INE700G14BZ2	23-May-2022	100	19-Aug-2022	-	6000
INE700G14CA3	24-May-2022	200	23-Aug-2022	-	6000
INE700G14CC9	26-May-2022	300	25-Aug-2022	-	6000
INE700G14CB1	27-May-2022	150	26-Aug-2022	-	6000
INE700G14CB1	30-May-2022	200	26-Aug-2022	-	6000
INE700G14CD7	06-Jun-2022	200	02-Sep-2022	-	6000
INE700G14CF2	06-Jun-2022	100	05-Sep-2022	-	6000
INE700G14CE5	07-June-2022	200	06-Sep-2022	-	6000
INE700G14CG0	10-June-2022	225	09-Sep-2022	-	6000
INE700G14CH8	13-June-2022	100	12-Sep-2022	-	6000
INE700G14BY5	13-June-2022	200	12-Aug-2022	-	6000
INE700G14CI6	20-June-2022	125	19-Sep-2022	-	6000
INE700G14CJ4	12-July-2022	50	28-Sep-2022	-	6000
INE700G14CJ4	15-July-2022	50	28-Sep-2022	-	6000
INE700G14CK2	22-July-2022	225	21-Oct-2022	-	6000
INE700G14CL0	22-July-2022	75	13-Sep-2022	-	6000
INE700G14CJ4	22-July-2022	50	28-Sep-2022	-	6000
INE700G14CM8	25-July-2022	25	19-Oct-2022	-	6000
INE700G14CK2	25-July-2022	100	21-Oct-2022	-	6000
INE700G14CI6	26-July-2022	35	19-Sep-2022	-	6000
INE700G14CO4	26-July-2022	50	13-Oct-2022	-	6000
INE700G14CN6	26-July-2022	50	28-Oct-2022	-	6000
INE700G14CP1	27-July-2022	200	10-Oct-2022	-	6000
INE700G14CQ9	29-July-2022	300	07-Oct-2022	-	6000
INE700G14CR7	12-Aug-2022	250	11-Nov-2022	-	6000
INE700G14CT3	17-Aug-2022	150	16-Nov-2022	-	6000
INE700G14CS5	18-Aug-2022	100	17-Nov-2022	-	6000

INE700G14CV9	22-Aug-2022	400	07-Nov-2022	-	6000
INE700G14CU1	25-Aug-2022	300	18-Nov-2022	-	6000
INE700G14CX5	26-Aug-2022	140	25-Nov-2022	-	6000
INE700G14CO4	26-Aug-2022	150	13-Oct-2022	-	6000
INE700G14CW7	26-Aug-2022	150	22-Nov-2022	-	6000
INE700G14DA1	05-Sep-2022	300	30-Nov-2022	-	6000
INE700G14CY3	05-Sep-2022	200	02-Dec-2022	-	6000
INE700G14CZ0	06-Sep-2022	100	05-Dec-2022	-	6000
INE700G14DB9	09-Sep-2022	200	31-Oct-2022	-	6000
INE700G14DD5	12-Sep-2022	400	12-Dec-2022	-	6000
INE700G14DC7	13-Sep-2022	100	13-Dec-2022	-	6000
INE700G14DD5	19-Sep-2022	300	12-Dec-2022	-	6000
INE700G14DF0	04-Oct-2022	75	26-Dec-2022	-	6000
INE700G14DF0	06-Oct-2022	150	26-Dec-2022	-	6000
INE700G14DE3	07-Oct-2022	100	16-Dec-2022	-	6000
INE700G14DG8	19-Oct-2022	200	18-Jan-2023	-	6000
INE700F14DH6	21-Oct-2022	150	20-Jan-2023	-	6000
INE700G14DF0	25-Oct-2022	150	26-Dec-2022	-	6000
INE700G14DI4	25-Oct-2022	50	05-Jan-2023	-	6000
INE700G14DH6	04-Nov-2022	90	20-Jan-2023	-	6000
INE700G14DJ2	04-Nov-2022	50	23-Jan-2023	-	6000
INE700G14DK0	07-Nov-2022	250	06-Feb-2023	-	6000
INE700G14DL8	11-Nov-2022	250	30-Jan-2023	-	6000
INE700G14DM6	14-Nov-2022	300	31-Jan-2023	-	6000
INE700G14DN4	16-Nov-2022	225	07-Feb-2023	-	6000
INE700G14DO2	18-Nov-2022	150	17-Feb-2023	-	6000
INE700G14DO2	22-Nov-2022	150	17-Feb-2023	-	6000
INE700G14DP9	25-Nov-2022	150	10-Jan-2023	-	6000
INE700G14DQ7	30-Nov-2022	200	16-Jan-2023	-	6000
INE700G14DR5	30-Nov-2022	100	20-Feb-2023	-	6000
INE700G14DS3	02-Dec-2022	100	24-Feb-2023	-	6000
INE700G14DT1	02-Dec-2022	200	27-Feb-2023	-	6000
INE700G14DU9	09-Dec-2022	300	28-Feb-2023	-	6000
INE700G14DV7	09-Dec-2022	125	09-Mar-2023	-	6000
INE700G14DW5	12-Dec-2022	100	10-Mar-2023	-	6000
INE700G14DX3	12-Dec-2022	200	13-Feb-2023	-	6000
INE700G14DW5	13-Dec-2022	25	10-Mar-2023	-	6000
INE700G14DY1	14-Dec-2022	240	13-Mar-2023	-	6000
INE700G14DY1	16-Dec-2022	6	13-Mar-2023	-	6000
INE700G14DZ8	20-Dec-2022	5	20-Mar-2023	-	6000
INE700G14EA9	22-Dec-2022	50	15-Mar-2023	-	6000
INE700G14EB7	23-Dec-2022	450	24-Mar-2023	-	6000
INE700G14EC5	26-Dec-2022	350	27-Mar-2023	-	6000
INE700G14EA9	26-Dec-2022	200	15-Mar-2023	-	6000
INE700G14ED3	03-Jan-2023	150	03-Apr-2023	-	6000
INE700G14EE1	12-Jan-2023	50	10-Apr-2023	-	6000
INE700G14EF8	16-Jan-2023	150	17-Apr-2023	-	6000
INE700G14DV7	16-Jan-2023	200	09-Mar-2023	-	6000
INE700G14EG6	18-Jan-2023	200	19-Apr-2023	-	6000
INE700G14EH4	20-Jan-2023	250	21-Apr-2023	-	6000
INE700G14EI2	30-Jan-2023	100	28-Apr-2023	-	6000
INE700G14EI2	31-Jan-2023	50	28-Apr-2023	-	6000
INE700G14EI2	31-Jan-2023	50	28-Apr-2023	-	6000
INE700G14EJ0	31-Jan-2023	300	02-May-2023	-	6000
INE700G14EK8	06-Feb-2023	500	08-May-2023	-	6000

INE700G14EL6	13-Feb-2023	400	15-May-2023	-	6000
INE700G14EM4	17-Feb-2023	400	19-May-2023	-	6000
INE700G14EN2	28-Feb-2023	300	30-May-2023	-	6000
INE700G14EO0	02-Mar-2023	200	01-Jun-2023	-	6000
INE700G14EP7	13-Mar-2023	750	12-Jun-2023	-	6000
INE700G14EQ5	15-Mar-2023	200	14-Jun-2023	-	6000
INE700G14ER3	23-Mar-2023	250	22-Jun-2023	-	6000
INE700G14ES1	03-Apr-2023	100	30-Jun-2023	-	6000
INE700G14ES1	05-Apr-2023	200	30-Jun-2023	-	6000
INE700G14ES1	06-Apr-2023	200	30-Jun-2023	-	6000
INE700G14ET9	27-Apr-2023	150	27-Jul-2023	-	6000
INE700G14ES1	28-Apr-2023	200	28-Jul-2023	-	6000
INE700G14EV5	02-May-2023	100	05-Jun-2023	-	6000
INE700G14EW3	04-May-2023	250	02-Aug-2023	-	6000
INE700G14EX1	08-May-2023	250	07-Aug-2023	-	6000
INE700G14EY9	09-May-2023	250	08-Aug-2023	-	6000
INE700G14EZ6	11-May-2023	400	10-Aug-2023	-	6000
INE700G14FA6	12-May-2023	250	11-Aug-2023	-	6000
INE700G14FB4	19-May-2023	400	18-Aug-2023	-	6000
INE700G14FC2	22-May-2023	300	21-Aug-2023	-	6000
INE700G14FD0	23-May-2023	250	22-Aug-2023	-	6000
INE700G14FE8	02-Jun-2023	350	31-Aug--2023	-	6000
INE700G14FF5	05-Jun-2023	150	01-Sep-2023	-	6000
INE700G14FG3	06-Jun-2023	100	05-Sep-2023	-	6000
INE700G14FH1	09-Jun-2023	200	08-Sep-2023	-	6000
INE700G14FI9	12-Jun-2023	500	11-Sep-2023	-	6000
INE700G14FJ7	14-Jun-2023	200	13-Sep-2023	-	6000
INE700G14FK5	19-Jun-2023	250	18-Sep-2023	-	6000
INE700G14FL3	22-Jun-2023	200	21-Sep-2023	-	6000
INE700G14FM1	23-Jun-2023	250	15-Sep-2023	-	6000
INE700G14FN9	28-Jun-2023	350	29-Sep-2023	-	6000
INE700G14FO7	06-Jul-2023	150	26-Sep-2023	-	6000
INE700G14FP4	21-Jul-2023	200	20-Oct-2023	-	6000
INE700G14FP4	27-Jul-2023	300	20-Oct-2023	-	6000
INE700G14FQ2	28-Jul-2023	200	27-Oct-2023	-	6000
INE700G14FR0	02-Aug-2023	125	01-Nov-2023	-	8000 & 10,000
INE700G14FR0	04-Aug-2023	200	01-Nov-2023	-	8000 & 10,000
INE700G14FS8	07-Aug-2023	400	06-Nov-2023	-	8000 & 10,000
INE700G14FT6	07-Aug-2023	400	30-Oct-2023	-	8000 & 10,000
INE700G14FU4	08-Aug-2023	200	07-Nov-2023	-	10000
INE700G14FV2	09-Aug-2023	200	08-Nov-2023	-	10000
INE700G14FW0	10-Aug-2023	100	09-Nov-2023	-	10000
INE700G14FX8	18-Aug-2023	500	17-Nov-2023	-	10000
INE700G14FY6	21-Aug-2023	300	20-Nov-2023	-	10000
INE700G14FV2	21-Aug-2023	250	08-Nov-2023	-	10000
INE700G14FW0	21-Aug-2023	250	09-Nov-2023	-	10000
INE700G14FZ3	23-Aug-2023	350	22-Nov-2023	-	10000
INE700G14GA4	24-Aug-2023	50	23-Nov-2023	-	10000
INE700G14GB2	29-Aug-2023	100	28-Nov-2023	-	10000
INE700G14GC0	31-Aug-2023	150	30-Nov-2023	-	10000
INE700G14GD8	31-Aug-2023	100	09-Feb -2024	-	10000
INE700G14GE6	01-Sep-2023	250	29-Nov-2023	-	10000
INE700G14GC0	01-Sep-2023	150	30-Nov-2023	-	10000
INE700G14GF3	01-Sep-2023	25	01-Dec-2023	-	10000
INE700G14GB2	04-Sep-2023	325	28-Nov-2023	-	10000

INE700G14GC0	04-Sep-2023	175	30-Nov-2023	-	10000
INE700G14GG1	05-Sep-2023	100	05-Dec-2023	-	10000
INE700G14GH9	06-Sep-2023	200	06-Dec-2023	-	10000
INE700G14GI7	08-Sep-2023	450	08-Dec-2023	-	10000
INE700G14GJ5	11-Sep-2023	250	11-Dec-2023	-	10000
INE700G14GK3	13-Sep-2023	525	13-Dec-2023	-	10000
INE700G14GL1	15-Sep-2023	295	15-Dec-2023	-	10000
INE700G14GM9	18-Sep-2023	200	18-Dec-2023	-	10000
INE700G14GN7	21-Sep-2023	200	21-Dec-2023	-	10000
INE700G14GO5	22-Sep-2023	250	22-Dec-2023	-	10000
INE700G14GP2	26-Sep-2023	100	26-Dec-2023	-	10000
INE700G14GP2	26-Sep-2023	50	26-Dec-2023	-	10000
INE700G14GQ0	05-Oct-2023	200	20-Dec-2023	-	10000
INE700G14GR8	12-Oct-2023	350	11-Jan-2024	-	10000
INE700G14GS6	13-Oct-2023	75	12-Jan-2024	-	10000
INE700G14GT4	16-Oct-2023	50	15-Jan-2024	-	10000
INE700G14GU2	17-Oct-2023	150	16-Jan-2024	-	10000
INE700G14GW8	19-Oct-2023	225	18-Jan-2024	-	10000
INE700G14GV0	20-Oct-2023	300	19-Jan-2024	-	10000
INE700G14GX6	23-Oct-2023	225	22-Jan-2024	-	10000
INE700G14GY4	25-Oct-2023	200	01-Mar-2024	-	10000
INE700G14HA2	26-Oct-2023	100	25-Jan-2024	-	10000
INE700G14HA2	27-Oct-2023	150	25-Jan-2024	-	10000
INE700G14GZ1	27-Oct-2023	400	27-Dec-2024	-	10000
INE700G14HA2	31-Oct-2023	100	25-Jan-2024	-	10000
INE700G14HB0	31-Oct-2023	30	30-Jan-2024	-	10000
INE700G14HC8	01-Nov-2023	300	31-Jan-2024	-	10000
INE700G14HC8	02-Nov-2023	25	31-Jan-2024	-	10000
INE700G14HD6	08-Nov-2023	600	29-Jan-2024	-	10000
INE700G14GD8	10-Nov-2023	250	09-Feb-2024	-	10000
INE700G14HE4	15-Nov-2023	50	14-Feb-2024	-	10000
INE700G14HG9	16-Nov-2023	250	15-Feb-2024	-	10000
INE700G14HF1	17-Nov-2023	400	16-Feb-2024	-	10000
INE700G14HH7	20-Nov-2023	250	12-Feb-2024	-	10000
INE700G14HI5	20-Nov-2023	250	13-Feb-2024	-	10000
INE700G14HJ3	20-Nov-2023	250	19-Feb-2024	-	10000
INE700G14HK1	21-Nov-2023	225	20-Feb-2024	-	10000
INE700G14HL9	23-Nov-2023	50	22-Feb-2024	-	10000
INE700G14HM7	24-Nov-2023	200	23-Feb-2024	-	10000
INE700G14HN5	30-Nov-2023	250	29-Feb-2024	-	10000
INE700G14HO3	04-Dec-2023	175	04-Mar-2024	-	10000
INE700G14HP0	06-Dec-2023	450	06-Mar-2024	-	10000
INE700G14HQ8	07-Dec-2023	200	07-Mar-2024	-	10000
INE700G14HR6	11-Dec-2023	250	11-Mar-2024	-	10000
INE700G14HT2	12-Dec-2023	250	28-Feb-2024	-	10000
INE700G14HS4	13-Dec-2023	25	13-Mar-2024	-	10000
INE700G14HU0	15-Dec-2023	375	15-Mar-2024	-	10000
INE700G14HV8	18-Dec-2023	200	18-Mar-2024	-	10000
INE700G14HW6	20-Dec-2023	200	20-Mar-2024	-	10000
INE700G14HX4	21-Dec-2023	200	21-Mar-2024	-	10000
INE700G14HY2	22-Dec-2023	300	22-Mar-2024	-	10000
INE700G14HZ9	26-Dec-2023	200	26-Mar-2024	-	10000
INE700G14HV8	27-Dec-2023	300	18-Mar-2024	-	10000
INE700G14IA0	27-Dec-2023	50	27-Mar-2024	-	10000
INE700G14IB8	04-Jan-2024	150	19-Mar-2024	-	10000

INE700G14HS4	09-Jan-2024	150	13-Mar-2024	-	10000
INE700G14IC6	11-Jan-2024	400	26-Feb-2024	-	10000
INE700G14ID4	15-Jan-2024	200	05-Feb-2024	-	10000
INE700G14IE2	18-Jan-2024	505	18-Apr-2024	-	10000
INE700G14IF9	19-Jan-2024	325	19-Apr-2024	-	10000
INE700G14IH5	19-Jan-2024	25	02-Apr-2024	-	10000
INE700G14IG7	19-Jan-2024	25	03-Apr-2024	-	10000
INE700G14IJ1	23-Jan-2024	225	22-Apr-2024	-	10000
INE700G14IK9	25-Jan-2024	200	24-Jan-2025	200	10000
INE700G14II3	29-Jan-2024	600	29-Apr-2024	-	10000
INE700G14IJ1	29-Jan-2024	5	22-Apr-2024	-	10000
INE700G14IL7	30-Jan-2024	400	30-Apr-2024	-	10000
INE700G14IM5	02-Feb-2024	90	03-May-2024	-	10000
INE700G14IN3	05-Feb-2024	50	06-May-2024	-	10000
INE700G14IN3	06-Feb-2024	150	06-May-2024	-	10000
INE700G14IO1	06-Feb-2024	150	07-May-2024	-	10000
INE700G14IP8	07-Feb-2024	75	08-May-2024	-	10000
INE700G14IQ6	08-Feb-2024	50	09-May-2024	-	10000
INE700G14IR4	09-Feb-2024	25	04-Apr-2024	-	10000
INE700G14IS2	09-Feb-2024	50	05-Apr-2024	-	10000
INE700G14IO1	09-Feb-2024	150	07-May-2024	-	10000
INE700G14IU8	12-Feb-2024	250	13-May-2024	-	10000
INE700G14IV6	13-Feb-2024	550	14-May-2024	-	10000
INE700G14IW4	16-Feb-2024	600	17-May-2024	-	10000
INE700G14IX2	20-Feb-2024	250	21-May-2024	-	10000
INE700G14IZ7	21-Feb-2024	120	22-May-2024	-	10000
INE700G14IZ7	22-Feb-2024	250	22-May-2024	-	10000
INE700G14IY0	23-Feb-2024	250	24-May-2024	-	10000
INE700G14JA8	26-Feb-2024	250	27-May-2024	-	10000
INE700G14JB6	27-Feb-2024	25	28-May-2024	-	10000
INE700G14JC4	29-Feb-2024	550	30-May-2024	-	10000
INE700G14JD2	01-Mar-2024	250	31-May-2024	-	10000
INE700G14JE0	05-Mar-2024	250	04-Jun-2024	-	10000
INE700G14JG5	06-Mar-2024	250	05-Jun-2024	-	10000
INE700G14JF7	07-Mar-2024	125	06-Jun-2024	-	10000
INE700G14JH3	12-Mar-2024	525	11-Jun-2024	-	10000
INE700G14JI1	15-Mar-2024	400	14-Jun-2024	-	10000
INE700G14JI1	18-Mar-2024	400	14-Jun-2024	-	10000
INE700G14JJ9	19-Mar-2024	475	18-Jun-2024	-	10000
INE700G14JK7	20-Mar-2024	100	19-Jun-2024	-	10000
INE700G14JM3	21-Mar-2024	250	20-Jun-2024	-	10000
INE700G14JL5	22-Mar-2024	225	21-Jun-2024	-	10000
INE700G14JN1	26-Mar-2024	200	25-Jun-2024	-	10000
INE700G14JK7	26-Mar-2024	10	19-Jun-2024	-	10000
INE700G14IK9	25-Jan-2024	200	24-Jan-2025	200	10000
INE700G14JO9	24-Apr-2024	275	24-Jul-2024	275	13000
INE700G14JP6	26-Apr-2024	535	26-Jul-2024	535	13000
INE700G14JQ4	26-Apr-2024	425	25-Jul-2024	425	13000
INE700G14JR2	29-Apr-2024	30	29-Jul-2024	30	13000
INE700G14JT8	07-May-2024	50	30-Jul-2024	50	13000
INE700G14JU6	07-May-2024	300	06-Aug-2024	300	13000
INE700G14JU6	14-May-2024	5	06-Aug-2024	5	13000
INE700G14JV4	08-May-2024	25	06-Nov-2024	25	13000
INE700G14JS0	09-May-2024	775	08-Aug-2024	775	13000
INE700G14JX0	10-May-2024	225	09-Aug-2024	225	13000

INE700G14JY8	13-May-2024	25	12-Aug-2024	25	13000
INE700G14JZ5	14-May-2024	550	13-Aug-2024	550	13000
INE700G14KA6	15-May-2024	50	14-Aug-2024	50	13000
INE700G14KB4	17-May-2024	800	16-Aug-2024	800	13000
INE700G14KD0	22-May-2024	90	21-Aug-2024	90	13000
INE700G14KC2	24-May-2024	1150	23-Aug-2024	1150	13000
INE700G14KD0	24-May-2024	150	21-Aug-2024	150	13000
INE700G14KE8	27-May-2024	200	26-Aug-2024	200	13000
INE700G14JT8	28-May-2024	25	30-Jul-2024	25	13000
INE700G14KF5	28-May-2024	100	27-Aug-2024	100	13000
INE700G14KG3	30-May-2024	330	29-Aug-2024	330	13000
INE700G14JT8	30-May-2024	50	30-Jul-2024	50	13000
INE700G14KH1	04-Jun-2024	450	03-Sep-2024	450	13000
INE700G14KJ7	04-Jun-2024	40	04-Oct-2024	40	13000
INE700G14KL3	05-Jun-2024	350	04-Sep-2024	350	13000
INE700G14KK5	06-Jun-2024	500	05-Sep-2024	500	13000
INE700G14KM1	10-Jun-2024	200	09-Sep-2024	500	13000
INE700G14KN9	11-Jun-2024	925	10-Sep-2024	925	13000
INE700G14KP4	12-Jun-2024	100	11-Sep-2024	100	13000
INE700G14KO7	14-Jun-2024	500	13-Sep-2024	500	13000
INE700G14KR0	19-Jun-2024	200	18-Sep-2024	200	13000
INE700G14KR0	20-Jun-2024	140	18-Sep-2024	140	13000
INE700G14KQ2	20-Jun-2024	400	19-Sep-2024	400	13000
INE700G14KS8	21-Jun-2024	225	20-Sep-2024	225	13000
INE700G14KP4	27-Jun-2024	100	11-Sep-2024	100	13000
INE700G14KT6	28-Jun-2024	115	27-Sep-2024	115	13000
INE700G14KU4	15-Jul-2024	200	14-Oct-2024	200	13000

4.3 End-use of funds – **Outward Lending to Clients and Working capital Requirement**

4.4 Credit Support /enhancement (if any): - **NA**

- i. Details of instrument, amount, guarantor company
- ii. Copy of the executed guarantee
- iii. Net worth of the guarantor company
- iv. Names of companies to which guarantor has issued similar guarantee
- v. Extent of the guarantee offered by the guarantor company
- vi. Conditions under which the guarantee will be invoked

5. Financial Information:

- 5.1 Audited / Limited review half yearly consolidated (wherever available) and standalone financial information (Profit & Loss statement, Balance Sheet and Cash Flow statement) along with auditor qualifications, if any, for last three years along with latest available financial results. - **Attached**

In case an issuer is required to prepare financial results for the purpose of consolidated financial results in terms of Regulation 33 of SEBI LODR Regulations, latest available quarterly financial results shall be filed.

- 5.2 Latest audited financials should not be older than six month from the date of application for listing. - **Attached**

- 5.3 Provided that listed issuers (who have already listed their specified securities and/or 'Non-convertible Debt Securities' (NCDs) and/or 'Non-Convertible Redeemable Preference Shares' (NCRPS)) who are in compliance with SEBI (Listing obligations and disclosure requirements) Regulations 2015 (hereinafter "SEBI LODR Regulations"), may file unaudited financials with limited review for the stub period in the current financial year, subject to making necessary disclosures in this regard including risk factors.

6. Asset Liability Management (ALM) Disclosures:

- 6.1 NBFCs seeking to list their CPs shall make disclosures as specified for NBFCs in SEBI Circular nos. CIR/IMD/DF/12 /2014, dated June 17, 2014 and CIR/IMD/DF/ 6 /2015, dated September 15, 2015, as revised from time to time. Further, "Total assets under management", under para 1.a. of -Annexure I of CIR/IMD/DF/ 6 /2015, dated September 15, 2015 shall also include details of off balance sheet assets. - **NA**
- 6.2 HFCs shall make disclosures as specified for NBFCs in SEBI Circular no. CIR/IMD/DF/ 6 /2015, dated September 15, 2015, as revised from time to time with appropriate modifications viz. retail housing loan, loan against property, wholesale loan - developer and others. – **NA**

For HDFC Securities Limited


Mitul Palankar
(Company Secretary)

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF HDFC SECURITIES LIMITED AT ITS MEETING HELD ON 26TH MARCH 2024

APPROVAL FOR REVISION IN BORROWING LIMITS OF FUNDS BY THE PLACEMENT OF COMMERCIAL PAPER FROM THE CURRENT LIMIT OF RS. 10,000/- CRORES TO RS. 13,000/- CRORES

RESOLVED THAT pursuant to the Reserve Bank of India (RBI) circular=no.RBI/2014-15/100IDMD PCD. 04/14.02/2014-15 dated August 10, 2017, and operational guidelines issued by Fixed Income Money Market and Derivatives Association of India (FIMMDA), as amended from time to time, the approval of the Board be and is hereby granted for issuance of Commercial Paper (CP), in one or more tranches, for an enhanced outstanding amount not exceeding Rs. 13000 Crores (Rupees Thirteen Thousand Crores Only), within the overall limit of borrowing from time to time pursuant to section 180 (1) (c) of the Companies Act, 2013 for following purposes:

1. Funding Margin Trading Funding books.
2. Deploying and maintaining margins at exchanges / Working capital

RESOLVED FURTHER THAT any two of Mr. Dhiraj Relli, Managing Director; Mr. Ashish Rathi, Whole Time Director ; Mr. Ravindera Nahar, Chief Financial Officer, Mr. Nimesh Shah, Vice President-Finance; Mr. Satyen Doshi, Vice President-Finance; Sajeesh George, Vice President-Operations; Mr. Rohit Gangola, Vice President-Operations; Mr. Yatin Sawant, Senior Vice President-Risk; Mr. Bhavik Sotta, Vice President-Risk and Mr. Arpit Porwal, Asst. Vice President-Finance (collectively referred to as the 'Authorized Signatories') be and are hereby jointly authorized to discuss, negotiate and finalize the terms and conditions for the issue of each tranche (s) of CPs with the investor (s) and agree to such changes and modifications in the said terms and conditions as they deem fit;

RESOLVED FURTHER THAT any two of the Authorized Signatories be and are hereby jointly authorized to sign on behalf of the Company all relevant agreements, deeds, letters documents and papers and to finalize terms and conditions for appointment of Issuing & Paying Agent, Registrar & Transfer Agent, Depositories and such other agencies as may be required and to do all such acts, deeds, matters and things as may be required for the proposed CP Issue;

RESOLVED FURTHER THAT any two of the Authorized Signatories be and are hereby jointly authorized on behalf of the Company to execute any such formal contracts, agreements, applications, deeds, indemnities, guaranteed demand promissory notes and such other documents as may be required for the creation of requisite security for the CPs, for the issue of CPs, for Buyback of CPs, for submitting the same with National Securities Depository Limited, Central Depository Services (India) Limited, in connection with the dematerialization of the proposed CPs and to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in order to give effect to this resolution ;



HDFC Securities Limited

Registered Address: I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042. Tel.: +91-22-30753400 Fax: +91-22-30753435 www.hdfcsec.com

Member of NSE, BSE, MSEI, MCX | Reg No.: INZ000186937 | Member: CDSL | Reg No.: IN-DP-372-2018 | Research Analyst: INH000002475 | Investment Adviser: INA000011538 | PFRDA: POP-11092018 | AMFI: ARN13549 | Corporate Identity Number (CIN) - U67120MH2000PLC152193

Compliance Officer: Murl V Karkera, Contact: +91 22 3045 3600, Email: complianceofficer@hdfcsec.com

For any complaints / grievance: services@hdfcsec.com

1/2

RESOLVED FURTHER THAT Managing Director, Whole Time Director or the Chief Financial Officer be and are hereby severally authorised to allot the CPs and finalise the list of allottees;

RESOLVED FURTHER THAT any one of the Authorised Signatories be and are hereby severally authorised to sign and submit documents, applications, or papers to the Exchange (s) in connection with the listing of the CPs and do all such acts, deeds, matters and things in relation thereto.

RESOLVED FURTHER THAT any one of the Authorized Signatories be and are hereby severally authorized on behalf of the company to sign and file all such forms and returns with the Ministry of Corporate Affairs, Reserve Bank of India and such other authorities and to do all such acts, deeds and things as may be necessary and as they may in their absolute discretion deem necessary to comply with applicable provisions of the Companies Act, 2013 and Rules made thereunder, applicable RBI circulars (as may be amended from time to time) and such other regulatory requirements as applicable.

RESOLVED FURTHER THAT the Common Seal of the Company be affixed to all agreements, documents, writings and instruments in the presence of any two directors and Company Secretary as Authorised Signatories in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT a copy of the aforesaid resolution certified to be true by any Director or Company Secretary, as above be furnished to appropriate authorities for their records and necessary action thereon:"

For **HDFC Securities Limited**



Mitul Palankar
Company Secretary



2/2

HDFC Securities Limited

Registered Address: I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042. Tel.: +91-22-30753400 Fax: +91-22-30753435 www.hdfcsec.com

Member of NSE, BSE, MSEI, MCX | Reg No.: INZ000186937 | Member: CDSL | Reg No.: IN-DP-372-2018 | Research Analyst: INH000002475 | Investment Adviser: INA000011538 | PFRDA: POP-11092018 | AMFI: ARN13549 | Corporate Identity Number (CIN) - U67120MH2000PLC152193
Compliance Officer: Murlu V Karkera, Contact: +91 22 3045 3600, Email: complianceofficer@hdfcsec.com

For any complaints / grievance: services@hdfcsec.com



ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/HDFC Securities Limited/20062024/01

Date: June 20, 2024

Mr. Dheeraj Relli
 Managing Director- HDFC Securities Limited
 8th Floor, Building-Alpha, i-ThinkTechno Campus, Near Knajurmarg Station, Kanjurmarg (E), Mumbai-400 042

Dear Sir,
 ICRA rating for Rs. 13,000 crore Commercial Paper (CP) programme of HDFC Securities Limited

Please refer to your request dated June 18, 2024 for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA]A1+ (pronounced as ICRA A one plus) rating assigned to your captioned programme and last communicated to you vide our letter dated March 22, 2024 stands. Instruments with "[ICRA]A1+" rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Within this category rating modifier ("+" (plus)) can be used with the rating symbols. The modifier reflects the comparative standing within the category.

Additionally, we wish to highlight the following with respect to the rating:

- (a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance;
- (b) Subject to Clause (c) below, once the instrument is issued, the rating is valid throughout the life of the captioned programme (which shall have a maximum maturity of twelve months from the date of the issuance of the instrument).
- (c) Notwithstanding anything containing in clause (b) above, ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the CP issued by you. The rating is restricted to your CP Programme size of Rs. 13,000 crore only.

In case, you propose to enhance the size of CP Programme, the same would be required to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of CP.

You are requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also requested to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s) or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. Further, you are requested to us inform immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

Further, you are requested to us inform immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

ANIL

Digitally signed
 by ANIL GUPTA

GUPTA

Date: 2024.06.20
 11:25:29 +05'30'

Authorised Signatory

ANIL GUPTA

Senior Vice President

anilg@icraindia.com

Building No. 8, 2nd Floor,
 Tower A
 DLF Cyber City, Phase II
 Gurugram - 122002, Haryana

Tel.: +91.124 .4545300
 CIN :
 L749999DL1991PLC042749

Website: www.icra.in
 Email: info@icraindia.com
 Helpdesk: +91 9354738909

Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001. Tel.: +91.11.23357940-41

RATING • RESEARCH • INFORMATION



ANIL GUPTA

No. CARE/HO/RL/2024-25/1599

Shri Kunal Sanghvi
Chief Financial Officer
HDFC Securities Limited
Floor 8, I Think Techno Campus, Building B-Alpha, Near Crompton Greaves
Kanjurmarg (E),
Mumbai
Maharashtra 400042



June 21, 2024

Confidential

Dear Sir,

Credit rating for Commercial Paper (CP) issue aggregating Rs.13,000.00 crore¹

Please refer to our letter no. CARE/HO/RL/2024-25/1329 dated May 23, 2024, and your request for revalidation of the rating assigned to the CP issue of your company, for a limit of Rs. 13,000.00 crore, with a maturity not exceeding one year.

2. The following rating(s) have been reviewed:

Instrument	Amount (₹ crore)	Rating ²	Rating Action
Commercial Paper	5,000.00	CARE A1+ (A One Plus)	Reaffirmed
Commercial Paper	8,000.00	CARE A1+ (A One Plus)	Reaffirmed

3. Please arrange to get the rating revalidated in case the issue is not made within **two months** from the date of this letter i.e. by August 21, 2024. Once the CP is placed, the rating is valid for the tenure of such instrument till redemption.
4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

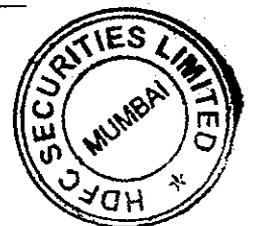
¹ This represents the aggregate of all CP issuances of the company outstanding at any point in time.

² Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai
Phone: +91-22-6754 3456 • www.careedge.in

CIN-L67190MH1993PLC071691



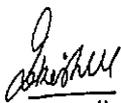
Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
-----------------	------	---------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

5. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
9. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Lokesh Warjurkar
Lead Analyst
lokesh.warjurkar@careedge.in



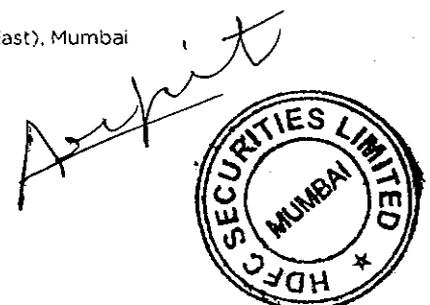
Sudam Shrikrushna Shingade
Associate Director
sudam.shingade@careedge.in

Encl.: As above

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai
Phone: +91-22-6754 3456 • www.careedge.in

CIN-L67190MH1993PLC071691



Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

C2H

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai
Phone: +91-22-6754 3456 • www.careedge.in

CIN-L67190MH1993PLC071691

Page 3 of 3

Asmit



B S R & Co. LLP

Chartered Accountants

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

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

INDEPENDENT AUDITORS' REPORT

To the Members of HDFC Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HDFC Securities Limited (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant 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 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 2022, and 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 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 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Registered Office:

Description of Key Audit Matter

The Key Audit Matter	How the matter was addressed in our audit
<p>IT systems and controls</p> <p>The Company’s key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly.</p> <p>The Company uses Sun system for its overall financial reporting. The Company’s General Ledger system used in financial reporting is interfaced with other IT systems which process transactions of account relevant for financial reporting.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems</p>	<p>Our audit procedures to assess the IT systems and controls included the following:</p> <ul style="list-style-type: none"> • Performed testing the design of General IT Controls (GITCs) for the audit period which included controls over access to program and data, program changes, system changes, program development, computer operations (job processing, data backup, system backup, incident management) over financial accounting and reporting systems and related IT systems (referred to as ‘in-scope systems’). • Testing the operating effectiveness of GITCs for the audit period over the in-scope systems as follows: <ul style="list-style-type: none"> a. User access creation, modification and revocation process; b. User access review process; – Segregation of duties; password policies; Application change management procedures; and c. Computer Operations process (automated job processes, backups and incident management). • Understanding IT application controls for the audit period for significant accounts, testing interfaces, reports, reconciliations and system processing for significant accounts determined by us during our risk assessment. We tested the change management controls to determine that these controls remained unchanged during the audit period and incase of changes, were changes followed the standard process. • Understanding IT infrastructure records for the in-scope systems i.e. operating systems and databases

Other Information (or another title if appropriate, such as “Information Other than the Financial Statements and Auditors’ Report Thereon”)

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon. The Company’s annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Company’s annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibility for the 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 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 in the financial statements made by the Management and Board of Directors.

Auditor's Responsibilities for the Audit of the Financial Statements (*continued*)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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.

(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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

Report on Other Legal and Regulatory Requirements (*continued*)

- d) In our opinion, the aforesaid 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 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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 Auditors’ 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:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 36 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, 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 persons or entities, 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 (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

Report on Other Legal and Regulatory Requirements (*continued*)

- (c) Based on such audit procedures as 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 (iv) (a) and (iv) (b) contain any material mis-statement.
- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
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) which are required to be commented upon by us.

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

RITESH
KALYANM
AL GOYAL

Digitally signed
by RITESH
KALYANMAL
GOYAL
Date: 2022.04.13
20:31:03 +05'30'

Place: Mumbai
Date: 13 April 2022

Ritesh Goyal
Partner
Membership No. 115007
UDIN: 22115007AGYKOK4451

HDFC Securities Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of HDFC Securities Limited

(Referred to in 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.
 - (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 program of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this program, certain 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 material 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 leases agreements are duly executed in favour of the lessee) disclosed in the 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 during the year.
 - (e) According to 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 broking services to its clients in the capital market. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of 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 made investments, granted secured loans to companies, limited liability partnership and other parties in respect of which the requisite information is as below:
 - (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to any other entity as below:

Annexure A to the Independent Auditor's Report of even date on financial statements of HDFC Securities Limited (*continued*)

(Rs. in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
- Subsidiaries*	-	-	-	-
- Joint ventures*	-	-	-	-
- Associates*	-	-	-	-
- Others #	-	-	160,933	-
Balance outstanding as at balance sheet date				
- Subsidiaries*	-	-	-	-
- Joint ventures*	-	-	-	-
- Associates*	-	-	-	-
- Others	-	-	328,348	-

**As per Companies Act, 2013*

The amount represents difference between amount outstanding at 31 March 2022 and 31 March 2021.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and the terms and conditions of the grant of loans provided are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party 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 is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

Annexure A to the Independent Auditor's Report of even date on financial statements of HDFC Securities Limited (*continued*)

- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and securities under Section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Act in respect of grant of loans and making investments. The Company has not provided any guarantees and securities. Accordingly, para 3(iv) of the Order is not applicable to that extent.
- (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 Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax and other statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	4	Financial Years 2004-05 and 2005-06	Commissioner of Central Excise (Appeal)	None
Finance Act, 1994	Service Tax	1	Financial Years 2014-15 to 2017-18	Deputy / Assistant Commissioner Div. II	None
Finance Act, 1994	Service Tax	5	Financial Years 2014-15 to 2017-18	Deputy / Assistant Commissioner Div. II	None
Jammu and Kashmir Stamp Act, 1977	Stamp Duty	58	Financial Years 2011-12 and 2016-17	Jammu and Kashmir High Court	None
Finance Act, 1994	Service Tax	713	Financial Year 2012-13 to 2017-18	Custom, Excise and Service Tax Appellate Tribunal	None
Income Tax Act, 1961	Income Tax	253	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)	None

Annexure A to the Independent Auditor's Report of even date on financial statements of HDFC Securities Limited (*continued*)

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	65	Assessment Year 2014-15	Commissioner of Income Tax (Appeal)	None
Income Tax Act, 1961	Income Tax	2,516	Assessment Year 2017-18	Commissioner of Income Tax (Appeal)	None
Income Tax Act, 1961	Income Tax	1,875	Assessment Year 2018-19	Commissioner of Income Tax (Appeal)	None
Income Tax Act, 1961	Income Tax	301	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)	None

- (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 has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.
- (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, no term loans were obtained by the management.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not have subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- (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.

Annexure A to the Independent Auditor's Report of even date on financial statements of HDFC Securities Limited (*continued*)

- (xi) (a) Based on 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 course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) 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 Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the 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 Companies Act, 2013 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 a part of a group in which there are no CIC. 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.

Annexure A to the Independent Auditor's Report of even date on financial statements of HDFC Securities Limited (*continued*)

(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 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 the annual report is expected to be made available to us after the date of this auditor's report.

(xx) (a) 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 Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(b) 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 Companies Act, 2013 pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

(xxi) The Company does not have subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(xxi) is not applicable.

For **B S R & Co. LLP**
Chartered Accountants

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

RITESH KALYANMAL
GOYAL
Date: 2022.04.13
20:31:37 +05'30'

Ritesh Goyal
Partner

Membership No. 115007
UDIN: 22115007AGYKOK4451

Place: Mumbai
Date: 13 April 2022

Annexure B to the Independent Auditors' report on the financial statements of HDFC Securities Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) 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 Securities Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the 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 2022, 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 Responsibility 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 Companies Act, 2013 (hereinafter referred to as "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 whether such controls operated effectively in all material respects.

Annexure B to the Independent Auditors' report on the financial statements of HDFC Securities Limited for the year ended 31 March 2022 (continued)

Auditors' Responsibility (continued)

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 such internal financial controls, 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 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

RITESH
KALYANMA
L GOYAL

Digitally signed by
RITESH KALYANMA
GOYAL
Date: 2022.04.13
20:31:52 +05'30'

Place: Mumbai

Date: 13 April 2022

Ritesh Goyal

Partner

Membership No. 115007

UDIN: 22115007AGYKOK4451

Particulars	Note	As at	
		31 March 2022	31 March 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	4	96,792	59,854
Bank Balance other than (4) above	5	2,63,091	1,57,981
Receivables			
Trade Receivables	6	50,586	43,961
Loans	7	3,28,348	1,67,415
Investments	8	24,377	23,595
Other Financial Assets	9	6,102	4,385
		7,69,296	4,57,191
Non-Financial Assets			
Current tax assets (Net)		3,049	2,232
Deferred tax Assets (Net)	34	-	61
Investment Property	10	1,397	1,424
Property, Plant and Equipment	11	7,584	6,015
Right-of-use assets	12	6,147	5,285
Capital work-in-progress	11	319	494
Intangible assets under development	11	1,151	585
Other Intangible assets	11	1,968	1,638
Other non-financial assets	13	1,343	966
		22,958	18,700
TOTAL ASSETS		7,92,254	4,75,891
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	14		
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises		11	28
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,42,057	1,03,959
Borrowings	15	4,61,914	2,04,043
Lease Liabilities	16	6,936	5,990
Other financial liabilities	17	469	291
		6,11,387	3,14,311
Non-Financial Liabilities			
Current tax liabilities (Net)		179	179
Provisions	18	11,733	8,747
Deferred tax liabilities (Net)	34	280	-
Other non-financial liabilities	19	2,884	4,623
		15,075	13,549
Equity			
Equity Share capital	20	1,583	1,577
Other Equity	21	1,64,208	1,46,454
		1,65,791	1,48,031
TOTAL LIABILITIES AND EQUITY		7,92,254	4,75,891

The accompanying notes form an integral part of this financial statements (1 to 55)

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

RITESH GOYAL
KALYANMAL GOYAL
AL GOYAL
Date: 2022.04.13
20:35:41 +05'30'

RITESH GOYAL

Partner

Membership No. 115007

Place: Mumbai

Date: 13 April 2022

For and on behalf of the Board of Directors of

HDFC Securities Limited

CIN Number: U67120MH2000PLC152193

DHIRAJ RELLI
Digitally signed by DHIRAJ RELLI
Date: 2022.04.13
15:28:03 +05'30'

DHIRAJ RELLI

Managing Director

DIN: 07151265

ASHISH KAMALKISHORE RATHI
Digitally signed by ASHISH KAMALKISHORE RATHI
Date: 2022.04.13
15:32:06 +05'30'

ASHISH RATHI

Whole Time Director

DIN: 07731968

Place: Mumbai

Date: 13 April 2022

KUNAL SURESH SANGHAVI
Digitally signed by KUNAL SURESH SANGHAVI
Date: 2022.04.13
15:36:28 +05'30'

KUNAL SANGHAVI

Chief Financial Officer

MITUL SURAJLAL PALANKAR
Digitally signed by MITUL SURAJLAL PALANKAR
Date: 2022.04.13
15:40:42 +05'30'

MITUL PALANKAR

Company Secretary

Statement of Profit and Loss for the year ended 31 March 2022

(₹ in lacs)

Particulars	Note	Year Ended	
		31 March 2022	31 March 2021
Revenue from operations			
Brokerage and Fee Income	22	1,40,937	1,14,024
Interest Income	23	52,804	21,110
Sale of Services	24	1,466	560
Net gain on fair value changes	25	2,132	907
Rental Income	26	207	207
Dividend Income	27	11	8
Total Revenue from operations		1,97,557	1,36,816
Other Income	28	1,474	3,127
Total Income		1,99,031	1,39,943
Expenses			
Finance Costs	29	15,634	5,307
Impairment on financial instruments	30	590	705
Employee Benefits Expenses	31	25,740	23,357
Depreciation, amortization and impairment	10,11,12	4,230	3,629
Other expenses	32	20,806	12,385
Total Expenses		67,000	45,382
Profit before tax		1,32,031	94,561
Tax expense	34		
Current Tax		33,217	24,074
Deferred Tax		380	165
Total tax expense		33,597	24,239
Profit for the year		98,434	70,323
Other comprehensive income :			
Items that will not be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans		(155)	3
Income tax effect		39	(1)
Other comprehensive income for the year, net of tax		(116)	2
Total comprehensive income for the period, net of tax		98,318	70,325
Earnings per equity share - [Nominal value of the shares Rs 10]			
Basic		623.21	446.64
Diluted		621.78	446.54

The accompanying notes form an integral part of this financial statements (1 to 55)

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022


 Digitally signed by
 RITESH KALYANMAL
 GOYAL
 Date: 2022.04.13
 20:36:07 +05'30'

RITESH GOYAL

Partner

Membership No. 115007

For and on behalf of the Board of Directors of

HDFC Securities Limited

CIN Number: U67120MH2000PLC152193


 Digitally signed by
 DHIRAJ RELLI
 Date: 2022.04.13
 15:28:43 +05'30'

DHIRAJ RELLI

Managing Director

DIN: 07151265


 Digitally signed by
 ASHISH
 KAMALKISH
 ORE RATHI
 Date: 2022.04.13
 15:32:44 +05'30'

ASHISH RATHI

Whole Time Director

DIN: 07731968

Place: Mumbai

Date: 13 April 2022


 Digitally signed by
 KUNAL SURESH
 SANGHAVI
 Date: 2022.04.13
 15:37:06 +05'30'

KUNAL SANGHAVI

Chief Financial Officer


 Digitally signed by
 MITUL SURAJLAL
 PALANKAR
 Date: 2022.04.13
 15:41:31 +05'30'

MITUL PALANKAR

Company Secretary

Place: Mumbai

Date: 13 April 2022

Statement of Changes in Equity for the year ended 31 March 2022

(₹ in lacs)

Equity Share Capital

Equity shares of ₹10 each issued, subscribed and fully paid

	Number of shares	Amount
Balance as at 1 April 2021	157,66,575	1,577
Changes in equity share capital during FY 2021-22	62,400	6
Balance as at 31 March 2022	158,28,975	1,583

Equity shares of ₹10 each issued, subscribed and fully paid

	Number of shares	Amount
Balance as at 1 April 2020	157,29,975	1,573
Changes in equity share capital during FY 2020-21	36,600	4
Balance as at 31 March 2021	157,66,575	1,577

Other Equity

	Reserves and Surplus					other comprehensive income	Total
	Share based payment reserve	Securities premium	General reserve	Capital Contribution from parent	Retained Earnings		
Balance as at 1 April 2021	1,223	8,634	2,500	2,434	1,31,490	173	1,46,454
Transfer to Securities Premium from share based payment reserve	(1,003)	1,003	-	-	-	-	-
Premium on issue of share capital	-	3,124	-	-	-	-	3,124
Profit For the year	-	-	-	-	98,434	-	98,434
Dividends excluding dividend tax	-	-	-	-	(86,462)	-	(86,462)
Dividend Distribution Tax	-	-	-	-	-	-	-
Share based payment cost	1,911	-	-	864	-	-	2,775
Other Comprehensive Income	-	-	-	-	-	(116)	(116)
Balance as at 31 March 2022	2,131	12,761	2,500	3,298	1,43,462	57	1,64,208

Other Equity

	Reserves and Surplus					other comprehensive income	Total
	Share based payment reserve	Securities premium	General reserve	Capital Contribution from parent	Retained Earnings		
Balance as at 1 April 2020	707	7,007	2,500	1,537	1,11,265	171	1,23,187
Transfer to Securities Premium from share based payment reserve	(395)	395	-	-	-	-	-
Premium on issue of share capital	-	1,232	-	-	-	-	1,232
Profit For the year	-	-	-	-	70,323	-	70,323
Dividends excluding dividend tax	-	-	-	-	(50,098)	-	(50,098)
Dividend Distribution Tax	-	-	-	-	-	-	-
Share based payment cost	911	-	-	897	-	-	1,807
Other Comprehensive Income	-	-	-	-	-	2	2
Balance as at 31 March 2021	1,223	8,634	2,500	2,434	1,31,490	173	1,46,453

Refer Note # 21 for description of the purpose of each reserve within equity (as per schedule III)

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

RITESH KALYANMA
L GOYAL

Digitally signed by
RITESH KALYANMA
GOYAL
Date: 2022.04.13
09:13:19 +05'30'

RITESH GOYAL

Partner

Membership No. 115007

Place: Mumbai

Date: 13 April 2022

For and on behalf of the Board of Directors of

HDFC Securities Limited

CIN Number: U67120MH2000PLC152193

DHIRAJ RELLI

Digitally signed by
DHIRAJ RELLI
Date: 2022.04.13
15:29:04 +05'30'

DHIRAJ RELLI

Managing Director

DIN: 07151265

ASHISH KAMALKISH
ORE RATHI

Digitally signed by
ASHISH KAMALKISHORE
RATHI
Date: 2022.04.13
15:33:30 +05'30'

ASHISH RATHI

Whole Time Director

DIN: 07731968

Place: Mumbai

Date: 13 April 2022

KUNAL SURESH
SANGHAVI

Digitally signed by
KUNAL SURESH
SANGHAVI
Date: 2022.04.13
15:37:49 +05'30'

KUNAL SANGHAVI

Chief Financial Officer

MITUL SURAJLAL
PALANKAR

Digitally signed by
MITUL SURAJLAL
PALANKAR
Date: 2022.04.13
15:42:23 +05'30'

MITUL PALANKAR

Company Secretary

Cash Flow Statement for the year ended 31 March 2022

(₹ in lacs)

	Year Ended	
	31 March 2022	31 March 2021
Cash Flow from operating activities		
Profit before tax	1,32,031	94,561
Adjustments		
Depreciation & Amortization	4,230	3,629
Share based payments to employees	2,775	1,807
Impairment on financial instruments	590	705
Loss on sale / w/off of Property, Plant & Equipment	(4)	(8)
Rental income from investment property	(207)	(207)
Gain on sale of investment	(2,132)	(907)
Finance Costs	15,634	5,307
Interest income	-	(5)
Dividend Income	(11)	(8)
	1,52,905	1,04,874
Working capital adjustments:		
Decrease / (Increase) in Other Bank Balance	(1,05,110)	(59,446)
Decrease / (Increase) in trade receivables	(7,215)	(28,128)
Decrease / (Increase) in loans	(1,60,933)	(1,44,572)
Decrease / (Increase) in Other financial assets	(1,717)	18,050
Decrease / (Increase) in Other non-financial assets	(378)	(424)
Increase/ (Decrease) in trade and other payables	38,081	38,749
Increase/ (Decrease) in lease liability	946	(30)
Increase/ (Decrease) in other financial liabilities	178	(389)
Increase/ (Decrease) in Provisions	2,831	1,618
Increase/ (Decrease) in Other non-financial liabilities	(1,739)	670
	(82,151)	(69,029)
Income tax paid	(34,034)	(24,684)
Net Cash Flow (used in) / from operating activities	(1,16,185)	(93,713)
Investing activities		
Purchase of property, plant and equipment	(7,351)	(5,871)
Purchase of Investment Property	0	(0)
Rental income received	207	207
Purchase of investments	(3,347)	(21,004)
Proceeds from sale of current investments	4,696	1,178
Dividend received	11	8
Interest received	-	5
Net cash flows (used in) / from investing activities	(5,782)	(25,477)

Cash Flow Statement for the year ended 31 March 2022

(₹ in lacs)

	Year Ended	
	31 March 2022	31 March 2021
Financing activities:		
Proceeds from Issuance of equity share capital	3,130	1,236
Proceeds from Issuance of Commercial Papers	16,81,914	4,18,996
Redemption of Commercial Papers	(14,25,000)	(2,85,000)
Finance Costs	(14,677)	(4,350)
Dividend paid, including dividend tax	(86,462)	(50,098)
Net cash flows from financing activities (C)	1,58,905	80,784
Net increase in cash and cash equivalents (A+B+C)	36,937	(38,406)
Cash and Cash equivalents at the beginning of the year	59,854	98,260
Cash and Cash equivalents at the end of the year	96,791	59,854
Components of cash and cash equivalents		
Cash in hand*	-	0
Balances with Banks - In current accounts	96,792	59,854
Cash and Cash equivalents at the end of the year (Refer Note # 4)	96,792	59,854

* Amount less than ₹ 50000

Cash flow statement is being prepared using indirect method

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

RITESH
KALYAN
MAL
GOYAL

Digitally signed
by RITESH
KALYANMAL
GOYAL
Date: 2022.04.13
20:36:48 +05'30'

RITESH GOYAL

Partner

Membership No. 115007

Place: Mumbai

Date: 13 April 2022

For and on behalf of the Board of Directors of

HDFC Securities Limited

CIN Number: U67120MH2000PLC152193

DHIRAJ
RELLI

Digitally signed
by DHIRAJ RELLI
Date: 2022.04.13
15:29:27 +05'30'

DHIRAJ RELLI

Managing Director

DIN: 07151265

ASHISH
KAMALKISH
ORE RATHI

Digitally signed by
ASHISH
KAMALKISHORE RATHI
Date: 2022.04.13
15:34:09 +05'30'

ASHISH RATHI

Whole Time Director

DIN: 07731968

Place: Mumbai

Date: 13 April 2022

KUNAL
SURESH
SANGHAVI

Digitally signed by
KUNAL SURESH
SANGHAVI
Date: 2022.04.13
15:38:51 +05'30'

KUNAL SANGHAVI

Chief Financial Officer

MITUL
SURAJLAL
PALANKAR

Digitally signed by
MITUL SURAJLAL
PALANKAR
Date: 2022.04.13
15:43:20 +05'30'

MITUL PALANKAR

Company Secretary

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

1 Corporate Information

HDFC Securities Limited (the "Company") is engaged in a single line of business as a provider of broking services to its clients in capital market. The Company is a public company listed in the Debt Market in BSE that is a majority owned subsidiary of HDFC Bank Limited (the "Parent"). The Company is registered as a "Stock Broker" with the Securities and Exchange Board of India ("SEBI") and as a "Corporate Agent" with the Insurance Regulatory and Development Authority ("IRDA"). As a brokerage house, its activities includes different types of services including agency transactions, subscription based services and distribution of financial products.

HDFC Securities Limited, Lodha - I Think Techno Campus, Building - Alpha, 8th Floor, Jolly Board Campus, Kanjurmarg (East), Mumbai 400042, Maharashtra, India

2 Basis of preparation

2.1. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of Companies Accounting Policies are included in Note 3

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policies regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share Based payments	Fair value (refer accounting policies regarding financial instruments)

2.4. Use of estimates & Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

I. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

II. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 38.

III. Recognition of deferred tax assets / liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 34.

IV. Recognition and measurement of provision and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

V. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are discussed in note 44.

VI. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2.5. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

HDFC Securities Limited

Notes forming part of the Financial Statements

for the year ended 31 March 2022

3 Significant accounting policies

3.1. Revenue from Contracts with Customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant after deducting claw back provision as per the agreed terms. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

3.2 Interest Income from Margin Trading Funding

Interest is recognised in relation to the loans in relation to the Margin Trading Funding provided to customers. Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future receipts through expected life of the related financial asset to the gross carrying amount of such financial asset.

3.3 Other Income

Revenue from services rendered to counter parties are recognised as and when the related performance obligations are satisfied.

3.4 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

ii. Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

iii. Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

<u>Asset</u>	<u>Estimated useful life</u>
Computer Hardware	3 years
Office Equipment	5 years
Furniture and fixtures	10 years
Leasehold Improvements	over the remaining period of the lease or estimated life, whichever is shorter
Electricals	10 years
Office premises	60 years

For the following categories of Property, plant and equipment, the Company has assessed useful life based on technical advice, taking into account the nature of the asset, the estimates usage of asset, the operating condition of asset, anticipated technological changes and utility in the business, as below:

Asset	Estimated useful life
Vehicles	4 years
Network & Servers	4 years

All Property, plant and equipment costing less than ₹ 5,000 individually are fully depreciated in the year of purchase. Useful lives are reviewed at each financial year end and adjusted if required.

iv. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

3.4. Intangible assets

i. Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii. Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

iii. Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

<u>Asset</u>	<u>Estimated useful life</u>
Computer software	5 years
Licenses Electronic trading platform (Website)	5 years
Bombay Stock Exchange Membership Card	10 years

All intangible assets costing less than ₹ 5,000 individually are fully amortised in the year of acquisition.

3.5. Investment property

Property given on lease to earn rental income, is classified as "Investment Property" as per requirement of Ind AS 40 "Investment Property". Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, Depreciation investment property has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

<u>Asset</u>	<u>Estimated useful life</u>
Investment Property	60 years

Any gain or loss on disposal of an investment property is recognised in the statement profit and loss.

The fair values of investment property is disclosed in the notes.

HDFC Securities Limited

Notes forming part of the Financial Statements

for the year ended 31 March 2022

3.6. Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.7. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

I. Recognition and initial measurement

Trade receivables, Loans and deposits are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issued.

II. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at :

- Amortised cost;
- Fair value through profit and loss ('FVTPL');
- Fair value through other comprehensive income ('FVOCI')

Financial assets (other than equity instruments)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

Financial assets measured at amortized cost

A financial asset that meets the following two conditions is measured at amortized cost (net of any written down for impairment) unless the asset is designated at FVTPL under the fair value option.

Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

Cash flow characteristics test: 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.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

Financial assets (equity instruments)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

All equity instruments are to be measured at FVTPL.

On initial recognition, a one time irrevocable choice for all equity instruments to designate the respective equity instrument as Fair Value through Other Comprehensive Income (FVOCI). All unrealized gains and losses are recognised in OCI and on disposal such accumulated gains or losses are transferred directly to retained earnings.

Financial assets measured at Fair Value

A financial asset which is not classified at amortized cost is subsequently measured at fair valued. Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in Other Comprehensive Income (i.e. fair value through other comprehensive income).

The assets classified in the aforementioned categories are subsequently measured as follows:

a) Financial assets at Fair Value Through Profit or Loss (FVTPL) : These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss. Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL.

b) Financial assets at Fair Value Through Other Comprehensive Income (FVOCI) : These assets are subsequently measured at fair value. Interest income under the effective interest method, dividends (unless the dividend clearly represents a recovery of part of the cost of the investment), foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial Liabilities

Classification, subsequent measurement and gains and losses

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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

III. Derecognition

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.

The Company enters into transactions whereby it transfers assets recognised on its 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.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

IV. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

V. Impairment

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company considers that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

3.8. Employee benefits

i) Short term employee benefits

Short term employee benefits include salaries and short term cash bonus. A liability is recognised for the amount expected to be paid under short-term cash bonus or target based incentives if the Company has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

ii) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. These comprise of contributions to the National pension scheme, employees' provident fund and family pension fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

iii) Defined benefit plans

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined-benefit plan in the nature of gratuity are calculated annually by an independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Remeasurements 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 OCI.

iv) Other long term employee benefits

Compensated absences which accrue to employees and which can be carried to future periods and are expected to be availed in more than twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits.

HDFC Securities Limited

Notes forming part of the Financial Statements

for the year ended 31 March 2022

v) Share-based payment transactions

- a. The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.
- b. That cost is recognized, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.
- c. When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.
- d. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.
- e. Grants provided by parent Company to the employees at deputation to the Company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as capital contribution from parent.

3.9. Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and reflects uncertainty related to income taxes, if there is any. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

3.10. Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: 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 or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Bank Guarantee: Bank Guarantee are been taken from banks and kept with exchanges as a margin to meet the margin obligation.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

3.11. Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits and short term deposit with banks with original maturities of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.12. Leases

The Company as lessee

The Company lease as set classes primarily consist of leases for office premises. The Company assesses whether a contract 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

3.13. Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions.

Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.14. Earning per Share

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.15. Segment Reporting

The Company's business is to provide broking services, to its clients, in the capital markets in India. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

3.16. Borrowing Costs

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument with reference to effective interest rate method.

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 4: Cash and cash equivalents**

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
(i) Cash in hand*	-	0
(ii) Balances with Banks**	96,792	59,854
Total	96,792	59,854

* Amount less than ₹50000

** Refer Note # 42 for RPT transactions

Note 5: Bank Balance other than (4) above

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Earmarked accounts (unpaid dividend balance)	21	43
Fixed Deposits with Banks ^#	2,63,070	1,57,938
Total	2,63,091	1,57,981

Note:

^ Fixed Deposits maturing within 3 months

Deposits pledged as margins / Bank Gaurantees

2,10,998

2,28,070

1,02,369

1,52,938

Note 6: Receivables

Trade Receivables

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Receivables considered good - Secured	48,767	43,001
Receivables considered good - Unsecured**	2,705	1,286
Less: Allowance for impairment loss	(886)	(326)
Total	50,586	43,961

Note: Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member

** Refer Note # 42 for RPT transactions

-

-

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 7: Loans**

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
A Amortised Cost		
Margin Trading Funding*	3,28,814	1,68,050
Less: Allowance for impairment loss	(466)	(635)
Total	3,28,348	1,67,415
I) Secured by:		
i) Secured by tangible assets		
- Collateral in the form of cash, securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding	3,28,814	1,68,050
ii) Unsecured	-	-
Total Gross (i) + (ii)	3,28,814	1,68,050
Less: Allowance for impairment loss	(466)	(635)
Total Net	3,28,348	1,67,415
II) Loans in India		
Margin Trading Funding	3,28,814	1,68,050
Total Gross	3,28,814	1,68,050
Less: Allowance for impairment loss	(466)	(635)
Total Net	3,28,348	1,67,415
B At fair value through other comprehensive income	-	-
C At fair value through profit or loss	-	-
D At fair value designated at fair value through profit or loss	-	-
Total (A) + (B) + (C) + (D)	3,28,348	1,67,415

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 8: Investments**

Particulars	(₹ in lacs)	
	As at 31 March 2022 At Fair Value Through profit or loss	As at 31 March 2021 At Fair Value Through profit or loss
Mutual Funds		
HDFC Liquid Fund Direct - Growth	10,598	10,245
HDFC FMP 1158 D Feb (1) Series 39 -Dir-Growth	-	1,259
ICICI Prudential Liquid - Direct Plan - Growth	10,619	10,264
ICICI Pru FMP Series 82-1223 Days Direct Cumulativ	-	1,265
Nippon I Eq Hybrid - Segregated Portfolio1 Dir-Div	0	0
Debt Securities	-	-
Equity and Preference instruments		
BSE Limited	1,151	232
Yes Bank Limited	45	57
Qfix Infocomm Private Limited	-	29
Smallcase Technologies Private Limited	793	244
Virtuoso Infotech Pvt Ltd	30	-
Borderless Softtech Pvt Ltd	641	-
Baldor Technologies Pvt Ltd	500	-
Total Gross (A)	24,377	23,595
Investments in India	24,377	23,595
Total (B)	24,377	23,595
Less: Allowance for Impairment loss (C)	-	-
Total Net (D) (A)-(C)	24,377	23,595

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 9: Other Financial Assets****a) Advances and Deposits**

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Security Deposits		
Unsecured, considered good	487	323
Unsecured, considered doubtful	18	18
Less: Impairment loss	(18)	(18)
Fixed Deposits*#^	211	49
Deposit with Stock Exchanges	277	1,166
Margin monies with clearing member	-	1
Deposit with Bank for Arbitration^	17	215
Other Advances	958	339
Sub total	1,950	2,093

*With balance maturity of more than 12 months as at the balance sheet date

Deposits pledged as margins / Bank Gaurantees

^ Refer Note # 42 for RPT transactions

b) Income Receivables

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due	2,222	1,485
Unbilled Revenue	1,930	807
Sub total	4,152	2,292
Total	6,102	4,385

Note 10: Investment Property

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Investment property	1,397	1,424
Total	1,397	1,424

Reconciliation of carrying amount

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Cost or Deemed Cost (gross carrying amount)	1659	1,659
Accumulated depreciation opening	235	207
Depreciation for the year	27	28
Accumulated depreciation closing	262	235
Carrying amounts	1,397	1,424
Fair Value (Note #1)	4,057	3,950

Note 1:

The management has determined the fair value of the investment property by an independent valuer as per requirement of Ind AS 40, which is classified as Level 3

Note 11: Property, Plant and Equipment
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

(₹ in lacs)

Property, Plant and Equipment for current year		Tangible Assets									Intangible Assets (Other than Internally generated)						
		Leasehold Imp. in Buildings on op. lease	Office Premises	Electricals	Furniture & Fixtures	Vehicles	Office Equipments	Computer Hardware, Networks & Servers	Total Tangible Assets (a)	Capital work-in-progress (b)	Total (a) + (b)	Bombay Stock Exchange Card	Computer software	Electronic trading platform (Website)	Total Intangible Assets (a)	Intangible assets under development (b)	Total (a) + (b)
Gross Block	As at 01-04-2021	2,122	1,067	36	298	604	1,010	10,583	15,720	494	16,214	288	6,336	164	6,787	585	7,372
	Additions during the year	117	-	-	63	264	118	3,265	3,827	4,687	8,514	-	1,242	-	1,242	1,836	3,078
	Deletions/ Adjustments during the year	35	-	-	9	271	43	349	706	4,862	5,568	-	-	-	-	1,270	1,270
	As at 31-03-2022	2,175	1,067	36	352	597	1,023	13,359	18,608	319	18,927	288	7,573	164	8,025	1,151	9,176
Accumulated Depreciation	As at 01-04-2021	1,467	150	27	224	358	886	6,595	9,708	-	11,846	288	4,698	164	5,151	-	5,151
	Charge for the year	185	18	4	25	131	84	1,784	2,231	-	2,231	-	908	-	908	-	908
	Deletions during the year	32	-	-	8	247	43	349	679	-	679	-	-	-	-	-	-
	As at 31-03-2022	1,593	167	30	241	242	865	7,888	11,026	-	11,026	288	5,606	164	6,058	-	6,058
Net Block	As at 01-04-2021	656	918	9	74	245	125	3,988	6,015	494	11,794	-	1,638	-	1,638	585	2,223
	As at 31-03-2022	583	901	5	111	355	158	5,471	7,584	319	7,903	-	1,968	-	1,968	1,151	3,119

Property, Plant and Equipment for previous year		Tangible Assets									Intangible Assets (Other than Internally generated)						
		Leasehold Imp. in Buildings on op. lease	Office Premises	Electricals	Furniture & Fixtures	Vehicles	Office Equipments	Computer Hardware, Networks & Servers	Total Tangible Assets (a)	Capital work-in-progress (b)	Total (a) + (b)	Bombay Stock Exchange Card	Computer software	Electronic trading platform (Website)	Total Intangible Assets	Intangible assets under development (b)	Total (a) + (b)
Gross Block	As at 01-04-2020	2,118	1,067	36	269	668	1,015	6,074	11,246	735	11,981	288	5,508	164	5,960	578	6,538
	Additions during the year	77	-	-	37	124	26	4,535	4,798	4,557	9,356	-	828	-	828	835	1,663
	Deletions/ Adjustments during the year	73	-	-	7	188	32	25	325	4,798	5,124	-	-	-	-	828	828
	As at 31-03-2021	2,122	1,067	36	298	604	1,010	10,583	15,720	494	16,214	288	6,336	164	6,787	585	7,372
Accumulated Depreciation	As at 01-04-2020	1,349	133	23	210	346	836	5,208	8,104	-	8,104	288	3,966	164	4,418	-	4,418
	Charge for the year	177	17	4	21	155	79	1,412	1,864	-	1,864	-	732	-	732	-	732
	Deletions during the year	58	-	-	7	142	28	25	260	-	260	-	-	-	-	-	-
	As at 31-03-2021	1,467	150	27	224	358	886	6,595	9,708	-	9,708	288	4,698	164	5,151	-	5,151
Net Block	As at 01-04-2020	770	934	13	59	322	179	866	3,146	735	3,881	-	1,542	-	1,542	578	2,120
	As at 31-03-2021	656	918	9	74	245	125	3,988	6,015	494	6,509	-	1,638	-	1,638	585	2,223

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 12: Right-of-use assets**

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Right-of-use assets	6,147	5,285
Total	6,147	5,285

Reconciliation of carrying amount

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Carrying amount opening	5,285	5,738
Addition	1,926	551
Adjustments/deletion	-	-
Depreciation for the year	1,064	1,004
Carrying amount closing	6,147	5,285

Note 13: Other non-financial assets

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Prepaid Expenses	1,343	966
Total	1,343	966

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 14: Payables**

Trade Payables

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of Micro enterprise and small enterprises	11	28
Total	11	28
Total outstanding dues of other than Micro enterprise and small enterprises		
Payable to Exchanges	-	55
Payable to Clients	1,41,559	1,03,428
Other trade payables	498	476
Total	1,42,057	1,03,959

Footnote:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
(a) The principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year	11	28
(c) The amount of interest paid, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The 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 this Act	9	15
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	2	13
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 15: Borrowings**

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Commercial Papers*	4,41,914	2,04,043
MTF Loan	20,000	-
Total	4,61,914	2,04,043

Note:

As at 31/03/2022

		(₹ in lacs)	
Tenure	Particulars	Rate of Interest	Maximum Outstanding
79-364 days	Commercial Papers	4.13% - 5.30%	4,45,000

As at 31/03/2021

		(₹ in lacs)	
Tenure	Particulars	Rate of Interest	Maximum Outstanding
86-226 days	Commercial Papers	3.54% - 4.05%	2,05,000

* Refer Note # 43 for detail listing

Note 16: Lease Liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Lease Liabilities	6,936	5,990
Total	6,936	5,990

Note 17: Other financial liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Security deposits received	76	71
Liabilities for capital goods	371	177
Unpaid dividends	21	43
Total	469	291

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 18: Provisions**

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
(a) Provision for employee benefits		
Payroll & employee benefits	4,744	4,418
Provision for gratuity	234	85
Compensated absences	809	718
(b) Others		
Provision for expense	5,699	3,477
Provision For Contingencies	247	49
Total	11,733	8,747

Note 19: Other non-financial liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Deferred rental income	(0)	5
Statutory Dues including TDS and PF	1,917	2,494
Income received in advance	966	2,123
Provision for Fringe Benefit Tax	1	1
Total	2,884	4,623

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 20: Share Capital**

The Company has issued equity shares, the details in respect of which are given below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10 each	200,00,000	2,000	200,00,000	2,000
Issued, Subscribed & Paid-up				
Equity Shares of ₹10 each fully paid up	158,28,975	1,583	157,66,575	1,577
Total	158,28,975	1,583	157,66,575	1,577

(i) Reconciliation of the number of shares outstanding at the beginning and end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	157,66,575	1,577	157,29,975	1,573
Shares issued under ESOP during the year	62,400	6	36,600	4
Shares outstanding at the end of the year	158,28,975	1,583	157,66,575	1,577

(ii) Rights, preferences and restriction attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(iii) Shares in the Company held by the holding Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Equity Shares held by HDFC Bank Limited	151,90,044	1,519	151,90,044	1,519
Total	151,90,044	1,519	151,90,044	1,519

(iv) Shares in the Company held by shareholders holding more than 5% of the aggregate equity shares in the Company

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
HDFC Bank Limited	151,90,044	95.96%	151,90,044	96.34%

(v) Shares reserved for issue under options

97,500 number of shares are reserved to be issued under employees stock option scheme (ESOP II)

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 21: Other Equity**

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Share based payment reserve	2,131	1,223
Capital Contribution from parent	3,298	2,434
Securities Premium Account	12,760	8,634
Retained Earnings	1,31,490	1,11,266
Less: Appropriations - Final dividend on equity shares	-	-
Less: Appropriations - Tax on dividend on equity shares	-	-
Less: Appropriations(-) Interim Dividends**	(86,462)	(50,098)
Profit for the year	98,434	70,323
Other Comprehensive Income	57	173
General Reserve Account	2,500	2,500
Total	1,64,208	1,46,454

** The Company has paid the interim dividend of ₹547 per share (Interim dividend for FY 20-21 was ₹318 per share) that it was declared during the year ended 31 March 2022

- a Share based payment reserve
Share based payment expense pertaining to outstanding portion of the option not yet exercised.
- b Capital Contribution from parent
Capital contribution from parent is the parent Company share based payment cost of the employees who are on secondment with Company.
- c Securities Premium Account
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.
- d Retained Earnings
Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.
- e Other comprehensive income
Other comprehensive income consist of remeasurement gains/ losses on defined benefit plans.
- f General Reserve Account
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 22: Brokerage and Fee Income**

Particulars	(₹ in lacs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Brokerage Income**	1,15,547	1,01,478
Fee Income**	24,665	12,524
Depository Income	725	22
Total	1,40,937	1,14,024

Fee Income includes Commission on sale of insurance products as mentioned below:

Commission on sale of Life Insurance	3,759	3,305
Commission on sale of General Insurance	19	24
Commission on sale of Health Insurance	107	93

** Refer Note # 42 for RPT transactions

Note 23: Interest Income

Particulars	Year ended	
	31 March 2022	31 March 2021
On Financial Assets measured at Amortised Cost		
Interest on Loans	45,878	15,720
Interest on deposits with Banks**	6,713	5,167
Other interest Income	213	218
On Financial Assets classified at fair value through profit or loss		
Interest income from investments	-	5
Total	52,804	21,110

** Refer Note # 42 for RPT transactions

Note 24: Sale of Services

Particulars	Year ended	
	31 March 2022	31 March 2021
SMS and Value Added Services	1,466	560
Total	1,466	560

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 25: Net gain on fair value changes**

Particulars	(₹ in lacs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on financial instruments at fair value through profit or loss		
On Investment	2,132	907
Total	2,132	907
Fair Value changes:		
Realised	567	138
Unrealised	1,565	769
Total	2,132	907

Note 26: Rental Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Rental income from operating leases	202
Amortisation of deferred rental income	5	5
Total	207	207

Note 27: Dividend Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Dividend income on investments	11
Total	11	8

Note 28: Other Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Miscellaneous income**	1,474
Total	1,474	3,127

** Refer Note # 42 for RPT transactions

Note 29: Finance Costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	On Financial liabilities measured at Amortised Cost	
Interest Expense	15,634	5,307
Total	15,634	5,307

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)****Note 30: Impairment on financial instruments**

Particulars	(₹ in lacs)	
	Year ended 31 March 2022	Year ended 31 March 2021
On Financial instruments measured at Amortised Cost		
Loans	(168)	592
Trade & Other Receivable	758	113
Total	590	705

Note 31: Employee Benefits Expenses

Particulars	Year ended	
	31 March 2022	31 March 2021
Salaries and wages	21,411	19,779
Contribution to provident and other Funds	967	885
Share Based Payments to employees	2,775	1,807
Staff welfare expenses	588	885
Total	25,740	23,357

Note 32: Other expenses

Particulars	Year ended	
	31 March 2022	31 March 2021
Stamp, registration and trading expenses	1,726	1,225
Legal and Professional charges	2,472	1,757
Director's fees, allowances and expenses	70	54
Repairs and Maintenance	3,589	2,599
Rent, taxes and energy costs	1,100	1,111
Advertisement and publicity	2,702	441
Auditor's fees and expenses (Refer Note 46)	36	34
Insurance	39	45
Printing and stationery	192	174
Expenditure on Corporate Social Responsibility (Refer Note 40)	1,300	1,085
Communication Costs	3,241	2,233
Other expenditure	4,339	1,627
Total	20,806	12,385

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

33 Earning per share

A. Basic Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

Particulars			31 March 2022	31 March 2021
a	Equity shares outstanding at the beginning of the year	Nos.	157,66,575	157,29,975
b	Add: Weighted average number of equity shares issued during the year	Nos.	28,184	14,828
c	Weighted average number of equity shares for basic earnings per share (a + b)	Nos.	157,94,759	157,44,803
d	Net profit after tax available for equity shareholders	₹ in lacs	98,434	70,323
e	Basic earnings per share of Rs. 10 each (c/d)	₹	623.21	446.64

B. Diluted Earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

Particulars			31 March 2022	31 March 2021
a	Weighted average number of equity shares for basic earnings per share	Nos.	157,94,759	157,44,803
b	Add / (Less) : Impact of Diluted ESOPs	Nos.	36,355	3,636
c	Weighted average number of equity shares for diluted earnings per share (a + b)	Nos.	158,31,114	157,48,439
d	Net profit after tax available for equity shareholders	₹ in lacs	98,434	70,323
e	Diluted earnings per share of Rs. 10 each (c/d)	₹	621.78	446.54

34 Income Tax

A Amounts recognised in profit or loss

Particulars	₹ in lacs	
	As at 31 March 2022	As at 31 March 2021
Current Tax		
Current Period	33,165	24,111
Tax Relating to prior period	52	(37)
	<u>33,217</u>	<u>24,074</u>
Deferred Tax		
Attributable to –		
Origination and reversal of temporary differences	380	165
Reduction in tax rate	-	-
	<u>380</u>	<u>165</u>
Tax expense	33,597	24,239

B Income tax recognised in other comprehensive income

As at 31 March 2022

	Before tax	Tax (expense)	Net of tax
Remeasurements of defined benefit liability (asset)	-155	39	-116
Total	-155	39	-116

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

As at 31 March 2021

	Before tax	Tax (expense)	Net of tax
Remeasurements of defined benefit liability (asset)	3	(1)	2
Total	3	(1)	2

The tax impact for the below purpose has been arrived at by applying the tax rate 25.168% (previous years - 25.168%) being the prevailing tax rates for domestic companies under Income Tax Act, 1961.

C Reconciliation of effective tax rate

Particulars	(₹ in lacs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before income tax	1,32,031	94,561
Tax using Company's domestic tax rate	33,230	23,799
Effect of		
Corporate social responsibility	326	273
Long Term Capital Gain	(89)	(12)
Provision for employee benefits	21	31
Provision for Tax Earlier Years	52	(37)
Others (Net)	57	184
Total Tax Expense	33,597	24,239

Statutory tax rate is 25.168%. The effective income tax rate for 31 March 2022 is 25.45% (31 March 2021 is 25.63%)

D Recognised deferred tax assets and liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Temporary differences attributable to:		
Deferred tax liabilities		
Property, plant and equipment	226	89
Fair value of investments	690	296
Reversal of rent straight lining	-	-
Ind AS 116 Liability (Net)	199	180
Expected credit loss	-	-
	1,115	565
Deferred tax assets		
Provision for employee benefits	263	202
Provision for Doubtful debts	345	246
Provision for Rates and Taxes	166	166
Provision for Contingencies	62	12
Expected credit loss	-	-
	835	626
Net deferred tax (asset) / liability recognised on the balance sheet	280	-61

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

35 Proposed Dividend

The Board of Directors, in their meeting held on 13 April, 2022 have proposed a final dividend of ₹ NIL per equity share (previous year ₹ NIL per equity share). The proposal is subject to the approval of shareholders at the Annual General Meeting.

36 Contingent liabilities and Pending capital commitments

Contingent liabilities

(₹ in lacs)

Particulars	Note	31 March 2022	31 March 2021
Claims against the Company not acknowledged as debt	1	238	465
Income Tax, Service Tax and Stamp Duty demands	2	5,080	68
Bank Guarantee	4	54,400	19,400
Total		59,719	19,933

Note 1

The claims which are in dispute with the clients and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

Note 2

The statutory dues which are in dispute and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

Note 3

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

Note 4

Bank Guarantee are been taken from banks and kept with exchanges as a margin to meet the margin obligation.

Pending capital commitments

As at 31 March 2022 the Company has contracts remaining to be executed on capital account and not provided for. The estimated amount of contracts (net of advances) towards property, plant and equipment is ₹3729 lacs (previous year - ₹670 lacs).

37 Foreign Currency Transaction

a) Expenditure in Foreign Currency (₹ in lacs)

Particulars	31 March 2022	31 March 2021
Straight Through Processing (STP) and Chat Integration	88	21
Total	88	21

b) Earnings in Foreign Currency (₹ in lacs)

Particulars	31 March 2022	31 March 2021
Referral fees for Global Investing	62	92
Research Information Services	105	9
Consideration from sale of unlisted shares - Qfix	38	-
Total	205	101

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

38 Employee benefits

A Defined Contribution Plan

The Company makes contributions towards National Pension Scheme, provident fund and family pension fund which are defined contribution retirement benefit plans for qualifying employees. The provident fund and family pension are administered by office of the Regional Provident Fund Commissioner.

A sum of ₹735 lacs (Previous Year ₹670 lacs) has been charged to the Statement of Profit and Loss towards National Pension fund and provident fund

The Employee State Insurance Scheme (“ESIC”) is a contributory scheme providing medical, sickness, maternity, and disability benefits to the insured employees under the Employees State Insurance Act, 1948.

The charge to the Statement of Profit and Loss is ₹34 lacs (Previous Year ₹33 lacs), which is classified as a part of “Contributions to provident and other funds” [Refer Note No. 31]

B Defined Benefit Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, the employee who has completed five years of service is entitled to specific benefit.

The Company contributes funds to a post retirement defined benefit plan for gratuity, details of which are as follows:

1 Reconciliation of the net defined benefit (asset) liability (₹ in lacs)

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year	1,055	929
Current Service Cost	138	130
Interest Cost	65	55
Actuarial Losses	162	34
Benefits paid	(95)	(93)
Balance at the end of the year	1,325	1,055

2 Reconciliation of the present value of plan assets (₹ in lacs)

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year	970	850
Expected return on Plan Assets	66	88
Contributions	150	125
Benefits paid	(95)	(93)
Actuarial Gain / (Loss)		-
Balance at the end of the year	1,091	970

3 Amount to be recognised in Balance Sheet and movement in net liability (₹ in lacs)

Particulars	31 March 2022	31 March 2021
Present Value of Funded Obligation	1,325	1,055
Fair Value of Plan Assets	1,091	970
Net Liability Recognised in the Balance Sheet	234	85

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

4 Expenses recognised in the Income Statement

(₹ in lacs)

Particulars	31 March 2022	31 March 2021
Current Service Cost	138	130
Past Service Cost		-
Loss / (Gain) on settlement		-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	5	5
Net gratuity expenses recognized in the Statement of Profit and Loss	144	135

5 Remeasurements recognised in other comprehensive income

Particulars	31 March 2022	31 March 2021
Actuarial (gains) / losses		
- change in demographic assumptions	(73)	3
- change in financial assumptions	227	21
- experience variance (i.e. Actual experience vs assumptions)	6	10
Return on plan assets, excluding amount recognised in net interest expense	(5)	(37)
Total	155	(3)

6 Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	31 March 2022	31 March 2021
Funds managed by Insurer	100	100
Grand Total	100	100

7 Experience Adjustments

(₹ in lacs)

Particulars	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Defined Benefit Obligation	1,325	1,055	929	802	772
Fair value of Plan Assets	1,091	970	850	795	777
Surplus / (Deficit)	(234)	(85)	(79)	(7)	5

8 Summary of Actuarial Assumptions

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitments, size, funding requirements and expense.

Particulars	31 March 2022	31 March 2021
Discount Rate	6.05%	6.20%
Salary Escalation Rate	10.02%	7.86%
Mortality	Indian Assured Lives Mortality tables (2012-14)	Indian Assured Lives Mortality tables (2012-14)

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

9 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in lacs)

Particulars	31 March 2022		31 March 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	1,421	1,240	1,141	979
Salary Growth Rate (1% movement)	1,242	1,416	980	1,139
Attrition rate (50% movement)	1,559	1,212	1,144	1,002
Mortality Rate (10% movement)	1,326	1,325	1,055	1,055

10 Other Details

The Employer's best estimate of the contributions expected to be paid to the plan during the next year – ₹399 lacs (previous year – ₹219 lacs).

C Other long term employee benefits

A sum of ₹91 lacs (Previous Year ₹78 lacs) has been charged to the Statement of Profit and Loss towards Leave encashment [Refer Note No. 31]

39 Leases

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.

Company as a lessee

The Company's lease asset classes primarily consist of leases for premises and leasehold improvements. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than ₹1,50,000). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised ₹NIL towards short-term lease and ₹NIL towards low value assets during the year ended 31 March 2022. The Company has recognised ₹600 lacs towards the leases pertaining to the locations which are not separately identifiable units.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the Company. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments of ₹1400 lacs have been classified as financing cash flows.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. The Company has recognised ₹NIL towards income from sub-lease.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

The details of Right to use Asset of the Company are as follows:

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2022		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2021	5,285	-	5,285
Add: Additions during the period	1,926	-	1,926
Less: Deductions during the period	-	-	-
Less: Depreciation	(1,064)	-	(1,064)
Total	6,147	-	6,147

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2021		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2020	5,738	-	5,738
Reclassified on account of adoption of Ind AS 116	-	-	-
Add: Additions during the period	551	-	551
Less: Deductions during the period	-	-	-
Less: Depreciation	(1,004)	-	(1,004)
Total	5,285	-	5,285

Following is the movement in lease liabilities for the year:

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2022		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2021	5,990	-	5,990
Additions during the period	1,833	-	1,833
Deductions during the period	-	-	-
Interest Expense	518	-	518
Less: Lease Payments	(1,405)	-	(1,405)
Total	6,936	-	6,936

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2021		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2020	6,021	-	6,021
Additions during the period	537	-	537
Deductions during the period	-	-	-
Interest Expense	699	-	699
Less: Lease Payments	(1,267)	-	(1,267)
Total	5,990	-	5,990

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Following is maturity analysis of contractual undiscounted cash flows

(₹ in lacs)

Particulars	31 March 2022	31 March 2021
Less than 1 year	1,815	1,364
One to five years	5,416	4,802
More than five years	1,553	1,988
Total	8,784	8,154

40 Corporate Social Responsibility (CSR)

(₹ in lacs)

Particulars	31 March 2022	31 March 2021
Amount required to be spent by the Company u/s 135 of the Companies Act, 2013 for CSR	1,300	1,020
Amount advanced towards CSR for the year	1,300	1,020
Amount advanced for previous year	-	-
Dividend on HDFC Charity Fund on CSR investments	-	1
Total amount advanced	1,300	1,020
Amount advanced, pending utilization	-	-

41 Segment Reporting

The Company's business is to provide brokerage services to its clients in the capital markets within India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments as per the Ind AS on Operating Segment (Ind AS 108), specified under the Companies Act, 2013. The necessary information to report the revenues from the external customers for each product and service, or each group of similar products and service is not available and the cost to develop it would be excessive. Similarly, the geographical information related to the revenue from the external customers attributed to the entity's country of domicile and to all other foreign countries in total is not available and the cost to develop it would be excessive. No single customer accounts for the revenue, which is equal or more than ten percent of the total revenue of the entity, hence no such segment could be identified.

HDFC Securities Limited

Notes forming part of the Financial Statements (For the year ended 31 March 2022)

42 Related Party Disclosures

A. Parent Company	HDFC Bank Limited
Investor exerting significant influence	HDFC Limited
B. List of Key Management Personnel (KMP):	
Bharat Shah	Non-executive Chairman (till 28 Feb 2022)
Dhiraj Relli	Managing Director
Ashish Rathi	Whole-Time Director
Abhay Aima	Non-executive Director (till 15 July 2021)
Amla Samanta	Non-executive Independent Director
Jagdish Capoor	Non-executive Director (till 13 January 2022)
Samir Bhatia	Non-executive Independent Director
Malay Patel	Non-executive Independent Director
C V Ganesh	Chief Financial Officer (till 04 July 2020)
Kunal Sanghavi	Chief Financial Officer (w.e.f 20 August 2020)
Venkitakrishnan N.E	Company Secretary (till 12 August 2021)
Mitul Palankar	Company Secretary (w.e.f 13 August 2021)
C. Post Employment Benefits Plan	Employees Group Gratuity cum Life Assurance Scheme
D. List of other related parties	
HDFC Asset Management Company Ltd	Subsidiary Company of Investor exerting significant influence
HDFC Credila Financial Services Pvt. Ltd.	Subsidiary Company of Investor exerting significant influence
HDFC Ergo General Insurance Co. Ltd.	Subsidiary Company of Investor exerting significant influence
HDFC Life Insurance Company Limited	Subsidiary Company of Investor exerting significant influence

HDFC Securities Limited

Notes forming part of the Financial Statements (For the year ended 31 March 2022)

List of KMP & Directors of Parent Company

Sashidhar Jagdishan

Managing Director and Chief Executive Officer (w.e.f. 27 October 2020)

Kaizad Bharucha

Executive Director (w.e.f. 27 October 2020)

Renu Sud Karnad

Additional Executive Director

Malay Patel

Independent Director

M. D. Ranganath

Independent Director

Umesh Chandra Sarangi

Independent Director

Srikanth Nadhamuni

Non-Executive Director

Sanjiv Sachar

Independent Director

Sandeep Parekh

Independent Director

Dr. (Ms.) Sunita Maheshwari

Additional Independent Director (w.e.f. 30 March 2021)

Atanu Chakraborty

Non-Executive Part Time Chairman and Independent Director (w.e.f 05 May 2021)

Lily Vadera

Additional Independent Director (w.e.f 26 November 2021)

Aditya Puri

Managing Director (till 26 October 2020)

Santosh Haldankar

Company Secretary

Relatives of Key Managerial Personnel or Directors

Anita B. Shah

Spouse of Bharat Shah

Archana Relli

Spouse of Dhiraj Relli

Kritya Relli

Daughter of Dhiraj Relli

Vimal Relli

Brother of Dhiraj Relli

Lalita Rathi

Mother of Ashish Rathi

Poonam Rathi

Spouse of Ashish Rathi

Jagdishan Chandrasekharan

Father of Sashidhar Jagdishan

Ashim Samanta

Spouse of Amla Samanta

Neela Bhatia

Spouse of Samir Bhatia

Charushila Vijay Bhatia

Mother of Samir Bhatia

Ashok Sud

Brother of Renu Sud Karnad

Dr. Arjun Kalyanpur

Spouse of Sunita Maheshwari

Entities in which Key Managerial Personnel are interested

Raab Investments Pvt. Ltd.

Abhay Aima is a director and Member

Salisbury Investments Private Limited

Bharat Shah is a director

E. Fellow subsidiary

HDB Financials Services Limited

HDFC Securities Limited
**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)**
F. Transactions with related parties

₹ in lacs

I. Parent Company	HDFC Bank	
	31 March 2022	31 March 2021
<u>Transactions during the year :</u>		
Placement of fixed deposits	20,050	49,192
Redemption of fixed deposits	20,040	48,977
Franking Advance given	3	3
Rendering of services (including recoveries of expenses)	2,192	4,121
Receiving of services (including payment of expenses)	4,022	4,038
Interest received on Fixed Deposits	11	129
Interest paid	-	16
Dividend Paid	83,090	48,304
<u>Balances Outstanding :</u>		
Receivables	59	82
Advances / (Payables)	9	1
Bank balances	81,692	49,805
Fixed deposits	47	235
Accrued interest on fixed deposit – receivable*	2	0
Accrued expenses	159	419
Advances	61	58
Deposit received	76	76
Deposit payable	61	46

₹ in lacs

II. Investor exerting significant influence	HDFC Limited	
	31 March 2022	31 March 2021
<u>Transactions during the year :</u>		
Rendering of services (Including recoveries of expenses)	257	245
Interest Received	20	131
Placement of Fixed Deposits	-	10,000
Redemption of Fixed Deposits	5,000	5,000
<u>Balances Outstanding :</u>		
Receivables*	(0)	2

₹ in lacs

III. Fellow subsidiary	HDB Financials	
	31 March 2022	31 March 2021
<u>Transactions during the year :</u>		
Rendering of services (Including recoveries of expenses)	-	-
Receiving of services (Including payment of expenses)	19	9
<u>Balances Outstanding :</u>		
Receivables	2	1
Accrued expenses	-	-

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

₹ in lacs

IV. Other Related Parties	31 March 2022	44,286
<u>HDFC Asset Management Company Ltd</u>		
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	2	2
Balances Outstanding :		
Receivables	-	-
<u>HDFC Credila Financial Services Pvt. Ltd.</u>		
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	-	-
Balances Outstanding :		
Receivables	2	2
<u>HDFC Ergo General Insurance Co. Ltd.</u>		
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	19	24
Receiving of services (Including payment of expenses)	24	35
Balances Outstanding :		
Receivables*	0	2
Payables	(23)	(29)
Accrued Expenses	-	-
<u>HDFC Life Insurance Company Limited</u>		
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	4,794	2,176
Receiving of services (Including payment of expenses)	190	210
Balances Outstanding :		
Receivables	97	197
Payables*	(18)	(1)
Accrued Expenses	-	-

* Less than ₹ 50,000 /-

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)**

₹ in lacs

<u>KMP, Directors, Their Relatives and Entities in which KMP are interested</u>	31 March 2022	31 March 2021
<u>Nature of Transaction</u>		
Rendering of services (including recoveries of expenses)	32	183
Receiving of services (including payment of expenses)	39	32
Sitting Fees Paid	70	54
Managerial Remuneration & Perquisites Paid	3,066	1,032
Dividend Paid	249	154
ESOP - Number of options outstanding	29,050	4,000

Note:

1. The future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, accordingly the amount pertaining to KMP's is not ascertainable separately, and not included above.
2. Managerial remuneration includes ESOP exercise during the year, bonus on accrual basis.
3. The relatives having transactions during the year (and previous year) have been shown in the list above
4. Refer Note # 31 for Employee Stock Option granted to HDFC Bank Employee who are on secondment to the company.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

43 Financial instruments

A. Financial instruments – Fair values

1. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

The carrying value and fair value of financial instruments by categories as of 31 March 2022 are as follows:

(₹ in lacs)

31 March 2022	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
<u>Financial assets measured at fair value</u>							
Investments	24,377		24,377	1,196	21,216	1,964	24,376
<u>Financial assets not measured at fair value</u>							
Cash and cash equivalents		96,792	96,792	-	-	-	-
Bank Balance other than above		2,63,091	2,63,091	-	-	-	-
Receivables				-	-	-	-
Trade Receivables		50,586	50,586	-	-	-	-
Loans		3,28,348	3,28,348	-	-	-	-
Other Financial Assets		6,102	6,102	-	-	-	-
Total	24,377	7,44,919	7,69,296	1,196	21,216	1,964	24,376
Financial liabilities							
<u>Financial liabilities not measured at fair value</u>							
Trade Payables		1,42,068	1,42,068	-	-	-	-
Borrowings		4,61,914	4,61,914	-	-	-	-
Lease Liability		6,936	6,936	-	-	-	-
Other financial liabilities		469	469	-	-	-	-
Total	-	6,11,387	6,11,387	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2021 are as follows:

(₹ in lacs)

31 March 2021	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
<u>Financial assets measured at fair value</u>							
Investments	23,595		23,595	232	23,034	329	23,595
<u>Financial assets not measured at fair value</u>							
Cash and cash equivalents		59,854	59,854	-	-	-	-
Bank Balance other than above		1,57,981	1,57,981	-	-	-	-
Receivables				-	-	-	-
Trade Receivables		43,961	43,961	-	-	-	-
Loans		1,67,415	1,67,415	-	-	-	-
Other Financial Assets		4,385	4,385	-	-	-	-
Total	23,595	4,33,596	4,57,191	232	23,034	329	23,595
Financial liabilities							
<u>Financial liabilities not measured at fair value</u>							
Trade Payables	-	1,03,987	1,03,987	-	-	-	-
Borrowings		2,04,043	2,04,043	-	-	-	-
Lease Liability		5,990	5,990	-	-	-	-
Other financial liabilities	-	291	291	-	-	-	-
Total	-	3,14,311	3,14,311	-	-	-	-

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

2. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether the price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on hierarchy of valuation techniques, as explained in the note 2.5.

Note: (₹ in lacs)

Particulars	31 March 2022	31 March 2021
The fair value of shares on Margin Pledge and Withhold	4,50,344	2,49,969

Note: The above collaterals are held from the broking clients, for positions in equity & derivatives segments.

Transfers between Levels 1, 2 and 3

There were no transfers between level 1, 2 and 3.

3. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

B. Financial risk management

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

a. Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units, term deposits, trade receivables and security deposits.

Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors

Investments include investment in liquid mutual fund units that are marketable securities of eligible financial institutions for a specified time period with high credit rating given by domestic credit rating agencies.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Expected Credit Loss (ECL):

For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered.

For arriving at the ECL, the Company follows ECL module as approved by board.

The movement in expected credit loss

(₹ in lacs)

Particulars	Carrying amount	Carrying amount
	31 March 2022	31 March 2021
Opening balance	961	256
Impairment loss recognised / (reversed)	590	705
Closing balance	1,551	961

Ageing of Margin Trading Funding and Trade Receivable as at 31 March 2022

(₹ in lacs)

Particulars	Carrying Amount	Less than 6 months	6 months-1year	1-2 years	2-3 years	more than 3years	total
Margin Trading Funding	3,28,348	2,60,545	67,803	-	-	-	3,28,348
i) Undisputed -Trade Receivables - considered good	50,586	50,586	-	-	-	-	50,586
ii) Undisputed -Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed -Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed -Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed -Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed -Trade Receivables -credit impaired	-	-	-	-	-	-	-

Note: More than 90 days or disputed amount has been considered as provision for doubtful debts

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Ageing of Margin Trading Funding and Trade Receivable as at 31 March 2021

(₹ in lacs)

Particulars	Carrying Amount	Less than 6 months	6 months-1year	1-2 years	2-3 years	more than 3years	total
Margin Trading Funding	1,67,415	1,62,131	5,284	-	-	-	1,67,415
i) Undisputed -Trade Receivables - considered good	43,961	43,961	-	-	-	-	43,961
ii) Undisputed -Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed -Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed -Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed -Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed -Trade Receivables -credit impaired	-	-	-	-	-	-	-

Note: More than 90 days or disputed amount has been considered as provision for doubtful debts

b. Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The following are the remaining contractual maturities of financial liabilities as on 31 March 2022

Financial Liabilities

(₹ in lacs)

Particulars	Carrying Amount	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
total outstanding dues of micro enterprises and small enterprises	11	11	-	-	-	11
Payable to Exchanges	-	-	-	-	-	-
Payable to Clients	1,41,559	1,41,559	-	-	-	1,41,559
Other trade payables	498	498	-	-	-	498
Borrowings	4,61,914	4,61,914	-	-	-	4,61,914
Lease Liabilities	6,936	155	271	214	6,296	6,936
Other financial liabilities	469	469	-	-	-	469
Total	6,11,387	6,04,606	271	214	6,296	6,11,387

Details of Commercial Papers matured during the year ended 31 March 2022

(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
ICICI Prudential MF \ HSL\CP\20-21\028	INE700G14355	12-Jan-21	09-Apr-21	10,000	3.54%	87	09-Apr-21
ICICI Prudential MF \ HSL\CP\20-21\030	INE700G14371	20-Jan-21	16-Apr-21	5,000	3.79%	86	16-Apr-21
ICICI Prudential MF \ HSL\CP\20-21\031	INE700G14371	20-Jan-21	16-Apr-21	5,000	3.79%	86	16-Apr-21
SBI MF-SBI LIQUID FUND\ HSL\CP\20-21\029	INE700G14363	19-Jan-21	20-Apr-21	25,000	3.79%	91	20-Apr-21

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
IL&FS MF \ HSL\CP\20-21\032	INE700G14389	20-Jan-21	27-Apr-21	1,620	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\033	INE700G14389	20-Jan-21	27-Apr-21	380	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\034	INE700G14389	20-Jan-21	27-Apr-21	335	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\035	INE700G14389	20-Jan-21	27-Apr-21	770	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\036	INE700G14389	20-Jan-21	27-Apr-21	1,195	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\037	INE700G14389	20-Jan-21	27-Apr-21	700	3.95%	97	27-Apr-21
Nippon MF \ HSL\CP\20-21\038	INE700G14397	28-Jan-21	28-Apr-21	10,000	4.05%	90	28-Apr-21
DSP MF \ HSL\CP\20-21\027	INE700G14348	24-Dec-20	30-Apr-21	10,000	3.87%	127	30-Apr-21
Nippon MF\HSL\CP\20-21\039	INE700G14405	02-Feb-21	03-May-21	10,000	3.97%	90	03-May-21
Invesco MF \HSL\CP\20-21\040	ING700G14413	03-Feb-21	04-May-21	10,000	3.97%	90	04-May-21
L&T MF \HSL\CP\20-21 \041	INE700G14421	16-Feb-21	18-May-21	10,000	3.84%	91	18-May-21
Nippon MF \HSL\CP\20-21\042	INE700G14439	17-Feb-21	19-May-21	10,000	3.84%	91	19-May-21
Mahindra MF\HSL\CP\20-21\043	INE700G14447	24-Feb-21	25-May-21	5,000	3.70%	90	25-May-21
Franklin MF\HSL\CP\20-21\044	INE700G14447	24-Feb-21	25-May-21	10,000	3.70%	90	25-May-21
HSBC MF \HSL\CP\20-21\045	INE700G14454	26-Feb-21	27-May-21	10,000	3.70%	90	27-May-21
Kotak Mahindra MF\HSL\CP\20-21\046	INE700G14462	02-Mar-21	01-Jun-21	10,000	3.70%	91	01-Jun-21
Aditya Birla MF\HSL\CP\20-21\047	INE700G14462	03-Mar-21	01-Jun-21	10,000	3.70%	90	01-Jun-21
Baroda MF \HSL\CP\20-21\048	INE700G14470	09-Mar-21	07-Jun-21	10,000	3.84%	90	07-Jun-21
HSBC MF\HSL\CP\20-21\049	INE700G14470	10-Mar-21	07-Jun-21	5,000	3.84%	89	07-Jun-21
Kotak Mahindra MF\HSL\CP\20-21\050	INE700G14470	10-Mar-21	07-Jun-21	5,000	3.84%	89	07-Jun-21
Kotak Mahindra MF \HSL\CP\20-21\051	INE700G14488	15-Mar-21	11-Jun-21	5,000	3.86%	88	11-Jun-21
DSP MF\HSL\CP\20-21\052	INE700G14488	15-Mar-21	11-Jun-21	5,000	3.86%	88	11-Jun-21
Invesco Trustee MF \ HSL\CP\20-21\18	INE700G14272	04-Nov-20	18-Jun-21	5,000	3.83%	226	18-Jun-21
L&T MF\HSL\CP\20-21\053	INE700G14496	24-Mar-21	22-Jun-21	10,000	3.84%	90	22-Jun-21
UTI MF \HSL\CP\21-22\002	INE700G14520	20-Apr-21	23-Jun-21	25,000	3.53%	64	23-Jun-21
L&T MF\HSL\CP\20-21\054	INE700G14504	26-Mar-21	24-Jun-21	5,000	3.64%	90	24-Jun-21
Tata MF\HSL\CP\21-22\001	INE700G14512	16-Apr-21	15-Jul-21	10,000	3.75%	90	15-Jul-21
Tata MF\HSL\CP\21-22\003	INE700G14538	28-Apr-21	27-Jul-21	25,000	3.62%	90	27-Jul-21
ICICI Prudential MF \ HSL\CP\21-22\004	INE700G14546	04-May-21	02-Aug-21	10,000	3.58%	90	02-Aug-21
Invesco MF \HSL\CP\21-22\005	INE700G14546	04-May-21	02-Aug-21	10,000	3.58%	90	02-Aug-21
Tata MF\HSL\CP\21-22\006	INE700G14553	14-May-21	12-Aug-21	20,000	3.70%	90	12-Aug-21
IDFC MF\HSL\CP\21-22\007	INE700G14561	18-May-21	17-Aug-21	20,000	3.67%	91	17-Aug-21

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
Adity Birla MF\HSL\CP\21-22\008	INE700G14579	20-May-21	18-Aug-21	10,000	3.67%	90	18-Aug-21
BNP Paribas MF\HSL\CP\21-22\009	INE700G14587	25-May-21	24-Aug-21	5,000	3.68%	91	24-Aug-21
Mahindra MF\HSL\CP\21-22\010	INE700G14587	25-May-21	24-Aug-21	5,000	3.68%	91	24-Aug-21
HSBC MF\HSL\CP\21-22\011	INE700G14595	27-May-21	25-Aug-21	10,000	3.68%	90	25-Aug-21
Adity Birla MF\HSL\CP\21-22\012	INE700G14603	31-May-21	30-Aug-21	20,000	3.70%	91	30-Aug-21
Franklin MF\HSL\CP\20-21\013	INE700G14603	31-May-21	30-Aug-21	7,500	3.69%	91	30-Aug-21
Adity Birla MF\HSL\CP\21-22\014	INE700G14611	01-Jun-21	31-Aug-21	12,500	3.69%	91	31-Aug-21
Kotak Mahindra MF\HSL\CP\21-22\15	INE700G14629	07-Jun-21	06-Sep-21	10,000	3.68%	91	06-Sep-21
Baroda MF\HSL\CP\21-22\016	INE700G14629	07-Jun-21	06-Sep-21	10,000	3.68%	91	06-Sep-21
DSP MF\HSL\CP\21-22\019	INE700G14645	11-Jun-21	08-Sep-21	10,000	3.69%	89	08-Sep-21
ICICI Prudential MF\HSL\CP\21-22\017	INE700G14637	11-Jun-21	09-Sep-21	12,500	3.70%	90	09-Sep-21
Adity Birla MF\HSL\CP\21-22\018	INE700G14637	11-Jun-21	09-Sep-21	7,500	3.70%	90	09-Sep-21
ICICI Prudential MF\HSL\CP\21-22\020	INE700G14652	14-Jun-21	13-Sep-21	10,000	3.69%	91	13-Sep-21
Kotak Mahindra MF\HSL\CP\21-22\021	INE700G14652	14-Jun-21	13-Sep-21	10,000	3.69%	91	13-Sep-21
DSP MF\HSL\CP\21-22\022	INE700G14652	14-Jun-21	13-Sep-21	5,000	3.69%	91	13-Sep-21
HSBC MF\HSL\CP\21-22\023	INE700G14652	14-Jun-21	13-Sep-21	5,000	3.69%	91	13-Sep-21
UTI MF\HSL\CP\21-22\024	INE700G14660	16-Jun-21	15-Sep-21	10,000	3.70%	91	15-Sep-21
L&T MF\HSL\CP\21-22\028	INE700G14694	23-Jun-21	20-Sep-21	10,000	3.74%	89	20-Sep-21
NIPPON MF\HSL\CP\21-21\025	INE700G14686	22-Jun-21	21-Sep-21	10,000	3.80%	91	21-Sep-21
UTI MF\HSL\CP\21-22\026	INE700G14678	23-Jun-21	22-Sep-21	5,000	3.74%	91	22-Sep-21
NIPPON MF\HSL\CP\21-22\027	INE700G14678	23-Jun-21	22-Sep-21	25,000	3.74%	91	22-Sep-21
DSP MF\HSL\CP\21-22\029	INE700G14702	28-Jun-21	27-Sep-21	10,000	3.69%	91	27-Sep-21
UTI MF\HSL\CP\21-22\0053	INE700G14850	13-Sep-21	14-Oct-21	20,000	3.53%	31	14-Oct-21
L&T MF\HSL\CP\21-22\047	INE700G14819	03-Sep-21	18-Oct-21	10,000	3.51%	45	18-Oct-21
Invesco MF\HSL\CP\21-22\0048	INE700G14835	07-Sep-21	22-Oct-21	5,000	3.49%	45	22-Oct-21
MIRAE MF\HSL\CP\201-22\0049	INE700G14835	07-Sep-21	22-Oct-21	5,000	3.49%	45	22-Oct-21
Kotak Mahindra MF\HSL\CP\21-22\0050	INE700G14835	08-Sep-21	22-Oct-21	10,000	3.49%	44	22-Oct-21
NIPPON MF\HSL\CP\21-21\030	INE700G14710	26-Jul-21	25-Oct-21	25,000	3.80%	91	25-Oct-21
NIPPON MF\HSL\CP\21-22\031	INE700G14728	02-Aug-21	29-Oct-21	20,000	3.84%	88	29-Oct-21
IDFC MF\HSL\CP\21-22\0042	INE700G14801	30-Aug-21	01-Nov-21	10,000	3.58%	63	01-Nov-21
IDFC MF\HSL\CP\21-22\0043	INE700G14801	31-Aug-21	01-Nov-21	10,000	3.58%	62	01-Nov-21
UTI MF\HSL\CP\21-22\032	INE700G14736	10-Aug-21	08-Nov-21	7,500	3.98%	90	08-Nov-21

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
ICICI Prudential MF \ HSL\CP\21-22\033	INE700G14744	11-Aug-21	09-Nov-21	5,000	3.92%	90	09-Nov-21
ADITYA BIRLA MF\HSL\CP\21-22\34	INE700G14744	11-Aug-21	09-Nov-21	7,500	3.92%	90	09-Nov-21
UTI MF \HSL\CP\21-22\035	INE700G14751	13-Aug-21	11-Nov-21	10,000	3.81%	90	11-Nov-21
SBI MF\HSL\CP\21-22\0036	INE700G14769	17-Aug-21	16-Nov-21	20,000	3.78%	91	16-Nov-21
Adity Birla MF\HSL\CP\21-22\0037	INE700G14777	23-Aug-21	22-Nov-21	10,000	3.61%	91	22-Nov-21
HSBC MF \HSL\CP\21-22\0038	INE700G14785	26-Aug-21	24-Nov-21	10,000	3.64%	90	24-Nov-21
Mahindra MF\HSL\CP\21-22\0039	INE700G14793	30-Aug-21	29-Nov-21	5,000	3.63%	91	29-Nov-21
BNP Paribas MF\HSL\CP\21-22\0040	INE700G14793	30-Aug-21	29-Nov-21	5,000	3.63%	91	29-Nov-21
Baroda MF\HSL\CP\21-22\0041	INE700G14793	30-Aug-21	29-Nov-21	10,000	3.63%	91	29-Nov-21
Franklin MF\HSL\CP\21-22\044	INE700G14827	01-Sep-21	30-Nov-21	7,500	3.62%	90	30-Nov-21
ICICI Prudential MF \ HSL\CP\21-22\045	INE700G14827	01-Sep-21	30-Nov-21	2,500	3.62%	90	30-Nov-21
ICICI Prudential MF \ HSL\CP\21-22\046	INE700G14827	01-Sep-21	30-Nov-21	10,000	3.62%	90	30-Nov-21
UTI MF \HSL\CP\21-22\0075	INE700G14967	20-Oct-21	06-Dec-21	20,000	3.60%	47	06-Dec-21
Adity Birla MF\HSL\CP\21-22\0051	INE700G14843	09-Sep-21	09-Dec-21	20,000	3.65%	91	09-Dec-21
Adity Birla MF\HSL\CP\21-22\0052	INE700G14843	09-Sep-21	09-Dec-21	10,000	3.65%	91	09-Dec-21
DSP MF \HSL\CP\21-22\0054	INE700G14868	14-Sep-21	14-Dec-21	15,000	3.65%	91	14-Dec-21
HSBC MF \HSL\CP\21-22\0055	INE700G14868	14-Sep-21	14-Dec-21	5,000	3.65%	91	14-Dec-21
Baroda MF \HSL\CP\21-22\0056	INE700G14876	17-Sep-21	16-Dec-21	10,000	3.68%	90	16-Dec-21
ICICI PRUDENTIAL MF\HSL\CP\21-22\0057	INE700G14884	20-Sep-21	20-Dec-21	15,000	3.68%	91	20-Dec-21
UTI MF \HSL\CP\21-22\058	INE700G14884	20-Sep-21	20-Dec-21	5,000	3.68%	91	20-Dec-21
UTI MF\HSL\CP\21-22\059	INE700G14892	21-Sep-21	21-Dec-21	20,000	3.68%	91	21-Dec-21
Kotak Mahindra MF\HSL\CP\21-22\0060	INE700G14892	21-Sep-21	21-Dec-21	10,000	3.68%	91	21-Dec-21
DSP MF\HSL\CP\21-22\0061	INE700G14892	21-Sep-21	21-Dec-21	10,000	3.68%	91	21-Dec-21
L&T MF\HSL\CP\21-22\0074	INE700G14959	18-Oct-21	24-Dec-21	15,000	3.55%	67	24-Dec-21
DSP MF\HSL\CP\21-22\0062	INE700G14900	27-Sep-21	27-Dec-21	10,000	3.78%	91	27-Dec-21
ICICI PRUDENTIAL MF\HSL\CP\21-22\0063	INE700G14918	04-Oct-21	03-Jan-22	5,000	3.98%	91	03-Jan-22
ICICI PRUDENTIAL MF\HSL\CP\21-22\0064	INE700G14918	04-Oct-21	03-Jan-22	5,000	3.98%	91	03-Jan-22
UTI MF\HSL\CP\21-22\0071	INE700G14934	08-Oct-21	07-Jan-22	15,000	3.92%	91	07-Jan-22
Nippon MF \HSL\CP\21-22\0072	INE700G14942	13-Oct-21	12-Jan-22	20,000	3.74%	91	12-Jan-22
Innvesco MF \HSL\CP\21-22\0073	INE700G14942	13-Oct-21	12-Jan-22	10,000	3.74%	91	12-Jan-22
ICICI Prudential MF\HSL\CP\21-22\0077	INE700G14983	21-Oct-21	20-Jan-22	7,500	3.90%	91	20-Jan-22
Axis MF\HSL\CP\21-22\0078	INE700G14983	21-Oct-21	20-Jan-22	5,000	3.90%	91	20-Jan-22

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
Nippon MF\HSL\CP\21-22\0079	INE700G14983	21-Oct-21	20-Jan-22	15,000	3.90%	91	20-Jan-22
Kotak Mahindra MF\HSL\CP\21-22\0076	INE700G14975	22-Oct-21	21-Jan-22	10,000	3.74%	91	21-Jan-22
BARODA MF\HSL\CP\21-22\0086	INE700G14991	25-Oct-21	24-Jan-22	10,000	3.98%	91	24-Jan-22
Nippon MF\HSL\CP\21-22\0087	INE700G14AC3	28-Oct-21	27-Jan-22	25,000	4.40%	91	27-Jan-22
Nippon MF\HSL\CP\21-22\0088	INE700G14AB5	29-Oct-21	28-Jan-22	15,000	4.40%	91	28-Jan-22
IDFC MF\HSL\CP\21-22\0089	INE700G14AD1	03-Nov-21	02-Feb-22	10,000	4.65%	91	02-Feb-22
Invesco MF\HSL\CP\21-22\0100	INE700G14AK6	08-Dec-21	04-Feb-22	10,000	3.98%	58	04-Feb-22
Nippon MF\HSL\CP\21-22\0090	INE700G14AE9	09-Nov-21	08-Feb-22	20,000	4.62%	91	08-Feb-22
Nippon MF\HSL\CP\21-22\0091	INE700G14AF6	10-Nov-21	09-Feb-22	10,000	4.59%	91	09-Feb-22
L&T Technology Services Ltd\HSL\CP\21-22\0092	INE700G14AF6	10-Nov-21	09-Feb-22	10,000	4.59%	91	09-Feb-22
IDFC MF\HSL\CP\21-22\0093	INE700G14AG4	15-Nov-21	10-Feb-22	10,000	4.05%	87	10-Feb-22
UTI MF\HSL\CP\21-22\0094	INE700G14AG4	15-Nov-21	10-Feb-22	10,000	4.05%	87	10-Feb-22
L&T MF\HSL\CP\21-22\109	INE700G14AP5	24-Dec-21	22-Feb-22	10,000	4.20%	60	22-Feb-22
Baroda MF \HSL\CP\21-22\110	INE700G14AP5	24-Dec-21	22-Feb-22	5,000	4.20%	60	22-Feb-22
EDELWISS MF\HSL\CP\21-22\111	INE700G14AP5	24-Dec-21	22-Feb-22	5,000	4.20%	60	22-Feb-22
MIRAE MF\HSL\CP\21-22\112	INE700G14AP5	24-Dec-21	22-Feb-22	5,000	4.20%	60	22-Feb-22
HSBC MF\HSL\CP\21-22\0095	INE700G14AH2	24-Nov-21	23-Feb-22	10,000	4.19%	91	23-Feb-22
UTI MF\HSL\CP\21-22\0096	INE700G14AH2	25-Nov-21	23-Feb-22	10,000	4.19%	90	23-Feb-22
L&T MF\HSL\CP\21-22\114	INE700G14AQ3	28-Dec-21	25-Feb-22	10,000	4.28%	59	25-Feb-22
Kotak Mahindra\HSL\CP\21-22\115	INE700G14AQ3	28-Dec-21	25-Feb-22	10,000	4.28%	59	25-Feb-22
SBI MF\HSL\CP\21-22\0097	INE700G14AI0	29-Nov-21	28-Feb-22	30,000	4.02%	91	28-Feb-22
Mahindra MF\HSL\CP\21-22\127	INE700G14AY7	28-Jan-22	02-Mar-22	5,000	4.05%	33	02-Mar-22
Baroda MF \HSL\CP\21-22\126	INE700G14AY7	28-Jan-22	02-Mar-22	15,000	4.05%	33	02-Mar-22
ICICI Prudential MF\HSL\CP\21-22\0098	INE700G14AJ8	03-Dec-21	03-Mar-22	15,000	4.00%	90	03-Mar-22
L&T MF\HSL\CP\21-22\0099	INE700G14AJ8	03-Dec-21	03-Mar-22	10,000	4.00%	90	03-Mar-22
UTI MF\HSL\CP\21-22\0101	INE700G14AL4	13-Dec-21	07-Mar-22	15,000	4.10%	84	07-Mar-22
Aditya Birla MF \HSL\CP\21-22\0102	INE700G14AL4	13-Dec-21	07-Mar-22	15,000	4.10%	84	07-Mar-22
Franklin MF\HSL\CP\21-22\0103	INE700G14AM2	14-Dec-21	11-Mar-22	7,500	4.10%	87	11-Mar-22
HSBC MF\HSL\CP\21-22\0104	INE700G14AM2	14-Dec-21	11-Mar-22	5,000	4.10%	87	11-Mar-22
UTI MF\HSL\CP\21-22\0105	INE700G14AO8	20-Dec-21	17-Mar-22	20,000	4.27%	87	17-Mar-22
SBI MF\HSL\CP\21-22\106	INE700G14AO8	21-Dec-21	17-Mar-22	20,000	4.27%	86	17-Mar-22
Aditya Birla MF\HSL\CP\21-22\107	INE700G14AN0	21-Dec-21	21-Mar-22	25,000	4.27%	90	21-Mar-22

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
UTI MF\HSL\CP\21-22\0108	INE700G14AN0	21-Dec-21	21-Mar-22	20,000	4.27%	90	21-Mar-22

Details of Commercial Papers as at 31 March 2022

(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days
IL&FS MF \ HSL\CP\21-22\080	INE700G14AA7	22-Oct-21	21-Apr-22	1,650	4.50%	181
IL&FS MF \ HSL\CP\21-22\081	INE700G14AA7	22-Oct-21	21-Apr-22	360	4.50%	181
IL&FS MF \ HSL\CP\21-22\082	INE700G14AA7	22-Oct-21	21-Apr-22	430	4.50%	181
IL&FS MF \ HSL\CP\21-22\083	INE700G14AA7	22-Oct-21	21-Apr-22	810	4.50%	181
IL&FS MF \ HSL\CP\21-22\084	INE700G14AA7	22-Oct-21	21-Apr-22	820	4.50%	181
IL&FS MF \ HSL\CP\21-22\085	INE700G14AA7	22-Oct-21	21-Apr-22	930	4.50%	181
IL&FS MF \ HSL\CP\21-22\065	INE700G14926	05-Oct-21	26-Apr-22	2,420	4.35%	203
IL&FS MF \ HSL\CP\21-22\066	INE700G14926	05-Oct-21	26-Apr-22	2,290	4.35%	203
IL&FS MF \ HSL\CP\21-22\067	INE700G14926	05-Oct-21	26-Apr-22	2,790	4.35%	203
IL&FS MF \ HSL\CP\21-22\068	INE700G14926	05-Oct-21	26-Apr-22	560	4.35%	203
IL&FS MF \ HSL\CP\21-22\069	INE700G14926	05-Oct-21	26-Apr-22	1,540	4.35%	203
IL&FS MF \ HSL\CP\21-22\070	INE700G14926	05-Oct-21	26-Apr-22	400	4.35%	203
DSP MF \HSL\CP\21-22\113	INE700G14AR1	27-Dec-21	27-May-22	10,000	4.82%	151
Axis MF \HSL\CP\21-22\119	INE700G14AT7	11-Jan-22	05-Apr-22	15,000	4.18%	84
ICICI Prudential MF\HSL\CP\21-22\120	INE700G14AU5	20-Jan-22	20-Apr-22	20,000	4.13%	90
DSP MF\HSL\CP\21-22\121	INE700G14AU5	20-Jan-22	20-Apr-22	20,000	4.13%	90
Kotak Mahindra\HSL\CP\21-22\122	INE700G14AV3	24-Jan-22	25-Apr-22	25,000	4.15%	91
EDELWISS MF\HSL\CP\21-22\125	INE700G14AX9	28-Jan-22	28-Apr-22	2,500	4.26%	90
UTI MF\HSL\CP\21-22\0116	INE700G14AS9	07-Jan-22	10-Jun-22	10,000	4.75%	154
Aditya Birla MF\HSL\CP\21-22\117	INE700G14AS9	07-Jan-22	10-Jun-22	10,000	4.75%	154
Tata MF \HSL\CP\21-22\118	INE700G14AS9	07-Jan-22	10-Jun-22	5,000	4.75%	154
Kotak Mahindra MF \HSL\CP\21-22\124	INE700G14AW1	27-Jan-22	15-Jul-22	10,000	4.74%	169
UTI MF\HSL\CP\21-22\0123	INE700G14AW1	27-Jan-22	15-Jul-22	5,000	4.74%	169
SBI MF\HSL\CP\21-22\131	INE700G14AX9	08-Feb-22	28-Apr-22	20,000	4.63%	79
IDFC MF HSL\CP\21-22\129	INE700G14BA5	03-Feb-22	29-Apr-22	10,000	4.44%	85

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days
L&T Technology Services Ltd\HSL\CP\21-22\130	INE700G14BB3	03-Feb-22	05-May-22	5,000	4.44%	91
Nippon MF \HSL\CP\21-22\132	INE700G14BC1	09-Feb-22	10-May-22	25,000	4.60%	90
MIRAE MF\HSL\CP\21-22\133	INE700G14BD9	15-Feb-22	17-May-22	5,000	4.34%	91
IDFC MF\HSL\CP\21-22\134	INE700G14BD9	15-Feb-22	17-May-22	10,000	4.34%	91
Baroda MF \HSL\CP\21-22\135	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91
Invesco MF \HSL\CP\21-22\136	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91
ICICI Prudential MF HSL\CP\21-22\137	INE700G14BE7	22-Feb-22	24-May-22	7,500	4.29%	91
IDFC MF\HSL\CP\21-22\138	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91
ICICI Prudential MF HSL\CP\21-22\139	INE700G14BE7	22-Feb-22	24-May-22	7,500	4.29%	91
L&T MF\HSL\CP\21-22\140	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91
HSBC MF \CP\21-22\141	INE700G14BE7	23-Feb-22	24-May-22	12,500	4.29%	90
Kotak MF\HSL\CP \21-22\142	INE700G14BF4	25-Feb-22	26-May-22	15,000	4.39%	90
LARSEN & TOUBRO LTD\HSL\CP\21-22\128	INE700G14AZ4	03-Feb-22	02-Feb-23	10,000	5.30%	364
Baroda MF \HSL\CP\21-22\143	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85
UTI MF\HSL\CP\21-22\144	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85
UTI MF\HSL\CP\21-22\145	INE700G14BG2	03-Mar-22	31-May-22	15,000	4.39%	89
UTI MF\HSL\CP\21-22\146	INE700G14BH0	07-Mar-22	06-Jun-22	15,000	4.45%	91
ICICI Prudential MF HSL\CP\21-22\147	INE700G14BH0	07-Mar-22	06-Jun-22	7,500	4.45%	91
Aditya Birla MF\HSL\CP\21-22\148	INE700G14BJ6	11-Mar-22	07-Jun-22	15,000	4.50%	88
Aditya Birla MF\HSL\CP\21-22\149	INE700G14AS9	14-Mar-22	10-Jun-22	10,000	4.50%	88
UTI MF\HSL\CP\21-22\150	INE700G14AS9	14-Mar-22	10-Jun-22	10,000	4.50%	88
SBI MF\HSL\CP\21-22\151	INE700G14BI8	16-Mar-22	14-Jun-22	30,000	4.50%	90
ICICI Prudential MF\HSL\CP\21-22\152	INE700G14BI8	16-Mar-22	14-Jun-22	7,500	4.50%	90
UTI MF\HSL\CP\21-22\153	INE700G14BK4	21-Mar-22	20-Jun-22	20,000	4.47%	91

HDFC Securities Limited
**Notes forming part of the Financial Statements
(For the year ended 31 March 2022)**

The following are the remaining contractual maturities of financial liabilities as on 31 March 2021

Financial Liabilities

(₹ in lacs)

Particulars	Carrying Amount	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
total outstanding dues of micro enterprises and small enterprises	28	28			-	28
Payable to Exchanges	55	55			-	55
Payable to Clients	1,03,428	1,03,428			-	1,03,428
Other trade payables	476	476			-	476
Borrowings	2,04,043	2,04,043			-	2,04,043
Lease Liabilities	5,990	18	325	328	5,319	5,990
Other financial liabilities	291	291			-	291
Total	3,14,311	3,08,339	325	328	5,319	3,14,311

Details of Commercial Papers matured during the year ended 31 March 2021

(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
Mirae Asset Mutual Fund -CP-HSL\CP\19-20\013	INE700G14124	28-Jan-20	15-Jul-20	10,000	6.75%	169	15-Jul-20
SBI MF-SBI LIQUID FUND -CP-HSL \ CP \ 19-20 \ 014	INE700G14116	29-Jan-20	28-Jul-20	10,000	6.96%	181	28-Jul-20
SBI MF-SBI LIQUID FUND -CP-HSL \ CP \ 19-20 \ 015	INE700G14116	30-Jan-20	28-Jul-20	10,000	6.96%	180	28-Jul-20
Tata MF \ HSL\CP\19-20\016	INE700G14140	12-Feb-20	12-May-20	10,000	6.08%	90	12-May-20
UTI MF \ HSL\CP\19-20\017	INE700G14132	11-Feb-20	05-May-20	20,000	6.08%	84	05-May-20
UTI MF \ HSL\CP\19-20\018	INE700G14157	13-Mar-20	11-Jun-20	10,000	5.65%	90	11-Jun-20
DSP Mutual Fund -CP-HSL\CP\20-21\001	INE700G14165	18-Jun-20	16-Sep-20	5,000	4.65%	90	16-Sep-20
UTI Mutual Fund -CP-HSL\CP\20-21\002	INE700G14165	18-Jun-20	16-Sep-20	5,000	4.65%	90	16-Sep-20
UTI Mutual Fund -CP-HSL\CP\20-21\003	INE700G14173	23-Jun-20	21-Sep-20	10,000	4.00%	90	21-Sep-20
DSP Mutual Fund -CP-HSL\CP\20-21\004	INE700G14173	23-Jun-20	21-Sep-20	10,000	4.00%	90	21-Sep-20
Aditya Birla MF-CP-HSL\CP\20-21\005	INE700G14181	14-Jul-20	09-Oct-20	10,000	3.88%	87	09-Oct-20
ICICI Prudential -CP-HSL\CP\20-21\006	INE700G14199	21-Jul-20	20-Oct-20	10,000	3.84%	91	20-Oct-20
DSP MF CP-HSL\CP\20-21\007	INE700G14207	23-Jul-20	19-Jan-21	10,000	4.29%	180	19-Jan-21
Aditya Birla MF CP-HSL\CP\20-21\008	INE700G14207	23-Jul-20	19-Jan-21	5,000	4.29%	180	19-Jan-21
TATA SHORT TERM BOND FUND-HSL\CP\20-21\009	INE700G14207	23-Jul-20	19-Jan-21	5,000	4.29%	180	19-Jan-21
TATA MONEY MARKET FUND-HSL\CP\20-21\010	INE700G14207	23-Jul-20	19-Jan-21	2,500	4.29%	180	19-Jan-21
TATA BAF MF CP-HSL\CP\20-21\011	INE700G14207	23-Jul-20	19-Jan-21	2,500	4.29%	180	19-Jan-21
UTI MF CP-HSL\CP\20-21\012	INE700G14215	27-Jul-20	24-Dec-20	20,000	4.00%	150	24-Dec-20
UTI MF \ HSL\CP\20-21\013	INE700G14223	15-Sep-20	15-Dec-20	10,000	3.65%	91	15-Dec-20
HSBC MF \ HSL\CP\20-21\014	INE700G14231	21-Sep-20	27-Nov-20	20,000	3.67%	67	27-Nov-20
ADITYA BIRLA MF \ HSL\CP\20-21\015	INE700G14249	20-Oct-20	12-Jan-21	10,000	3.46%	84	12-Jan-21
MAHINDRA MF \ HSL\CP\20-21\16	INE700G14256	22-Oct-20	04-Dec-20	5,000	3.32%	43	04-Dec-20
Tata MF \ HSL\CP\20-21\17	INE700G14264	27-Oct-20	25-Jan-21	5,000	3.44%	90	25-Jan-21
Invesco Trustee MF \ HSL\CP\20-21\19	INE700G14280	05-Nov-20	03-Feb-21	10,000	3.42%	90	03-Feb-21
HSBC MF \ HSL\CP\20-21\20	INE700G14298	27-Nov-20	26-Feb-21	10,000	3.23%	91	26-Feb-21

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
HSBC MF \ HSL\CP\20-21\21	INE700G14306	02-Dec-20	03-Mar-21	10,000	3.20%	91	03-Mar-21
UTI MF \ HSL\CP\20-21\022	INE700G14314	15-Dec-20	09-Mar-21	10,000	3.40%	84	09-Mar-21
HSBC MF \ HSL\CP\20-21\23	INE700G14314	15-Dec-20	09-Mar-21	5,000	3.40%	84	09-Mar-21
UTI MF \ HSL\CP\20-21\024	INE700G14314	16-Dec-20	09-Mar-21	5,000	3.36%	83	09-Mar-21
Nippon MF \ HSL\CP\20-21\025	INE700G14322	18-Dec-20	16-Feb-21	10,000	3.40%	60	16-Feb-21
UTI MF \ HSL\CP\20-21\026	INE700G14330	24-Dec-20	24-Mar-21	10,000	3.43%	90	24-Mar-21

Details of Commercial Papers as at 31 March 2021

(Rs in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days
Invesco Trustee MF \ HSL\CP\20-21\18	INE700G14272	04-Nov-20	18-Jun-21	5,000	3.83%	226
DSP MF \ HSL\CP\20-21\027	INE700G14348	24-Dec-20	30-Apr-21	10,000	3.87%	127
ICICI Prudential MF \ HSL\CP\20-21\028	INE700G14355	12-Jan-21	09-Apr-21	10,000	3.54%	87
SBI MF-SBI LIQUID FUND\ HSL\CP\20-21\029	INE700G14363	19-Jan-21	20-Apr-21	25,000	3.79%	91
ICICI Prudential MF \ HSL\CP\20-21\030	INE700G14371	20-Jan-21	16-Apr-21	5,000	3.79%	86
ICICI Prudential MF \ HSL\CP\20-21\031	INE700G14371	20-Jan-21	16-Apr-21	5,000	3.79%	86
IL&FS MF \ HSL\CP\20-21\032	INE700G14389	20-Jan-21	27-Apr-21	1,620	3.95%	97
IL&FS MF \ HSL\CP\20-21\033	INE700G14389	20-Jan-21	27-Apr-21	380	3.95%	97
IL&FS MF \ HSL\CP\20-21\034	INE700G14389	20-Jan-21	27-Apr-21	335	3.95%	97
IL&FS MF \ HSL\CP\20-21\035	INE700G14389	20-Jan-21	27-Apr-21	770	3.95%	97
IL&FS MF \ HSL\CP\20-21\036	INE700G14389	20-Jan-21	27-Apr-21	1,195	3.95%	97
IL&FS MF \ HSL\CP\20-21\037	INE700G14389	20-Jan-21	27-Apr-21	700	3.95%	97
Nippon MF \ HSL\CP\20-21\038	INE700G14397	28-Jan-21	28-Apr-21	10,000	4.05%	90
Nippon MF\HSL\CP\20-21\039	INE700G14405	02-Feb-21	03-May-21	10,000	3.97%	90
Invesco MF \HSL\CP\20-21\040	ING700G14413	03-Feb-21	04-May-21	10,000	3.97%	90
L&T MF \HSL\CP\20-21 \041	INE700G14421	16-Feb-21	18-May-21	10,000	3.84%	91
Nippon MF \HSL\CP\20-21\042	INE700G14439	17-Feb-21	19-May-21	10,000	3.84%	91
Mahindra MF\HSL\CP\20-21\043	INE700G14447	24-Feb-21	25-May-21	5,000	3.70%	90

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days
Franklin MF\HSL\CP\20-21\044	INE700G14447	24-Feb-21	25-May-21	10,000	3.70%	90
HSBC MF \HSL\CP\20-21\045	INE700G14454	26-Feb-21	27-May-21	10,000	3.70%	90
Kotak Mahindra MF\HSL\CP\20-21\046	INE700G14462	02-Mar-21	01-Jun-21	10,000	3.70%	91

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days
Aditya Birla MF\HSL\CP\20-21\047	INE700G14462	03-Mar-21	01-Jun-21	10,000	3.70%	90
Baroda MF \HSL\CP\20-21\048	INE700G14470	09-Mar-21	07-Jun-21	10,000	3.84%	90
HSBC MF\HSL\CP\20-21\049	INE700G14470	10-Mar-21	07-Jun-21	5,000	3.84%	89
Kotak Mahindra MF\HSL\CP\20-21\050	INE700G14470	10-Mar-21	07-Jun-21	5,000	3.84%	89
Kotak Mahindra MF\ HSL\CP\20-21\051	INE700G14488	15-Mar-21	11-Jun-21	5,000	3.86%	88
DSP MF\HSL\CP\20-21\052	INE700G14488	15-Mar-21	11-Jun-21	5,000	3.86%	88
L&T MF\HSL\CP\20-21\053	INE700G14496	24-Mar-21	22-Jun-21	10,000	3.84%	90
L&T MF\HSL\CP\20-21\054	INE700G14504	26-Mar-21	24-Jun-21	5,000	3.64%	90

c. Market risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Foreign currency risk

The Company does not have any foreign currency exposure as at each reporting date. Accordingly, foreign currency risk disclosure is not applicable.

ii. Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from borrowings, interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets. All the borrowings of the company are fixed interest rate bearing instrument and hence there is no impact of movement in interest rate.

iii. Market price risks

The Company is exposed to market price risk, which arises from FVTPL investment in mutual funds. The management monitors the proportion of mutual funds investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

44 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option plans (Equity Settled)

On 13 February 2017, 21 June 2019, 14 December 2020, 16 September 2021 and on 13 January 2022 the Company has granted share options, that entitles the employees and the key management personnel (KMP) to purchase the shares in the Company. Holders of the vested stock options are entitled to purchase shares at the exercise price of the shares. The key terms and conditions related to the grants under the plan are as follows; and all options are to be settled by the delivery of shares.

Grant date / employees entitled	Number of instruments	Vesting conditions	Method of settlement	Contractual life of options
Options granted to employees and KMP on 13-02-2017	2,80,000	The options granted to the KMPs and employees shall vest in three years from the date of Grant.	Equity settled	Four years
Options granted to employees and KMP on 21-06-2019	94,500	The options granted to the KMPs and employees shall vest in three years from the date of Grant.	Equity settled	Four years
Options granted to employees and KMP on 14-12-2020	1,67,500	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Six years
Options granted to employees and KMP on 16-09-2021	67,500	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Six years
Options granted to employees and KMP on 13-01-2022	43,000	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Six years
Total share options granted till date	6,52,500			

B. Measurement of fair values

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using Black - Scholes Option pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

	As at 31 March 2022	As at 31 March 2021
	Share option plan for KMPs and employees	Share option plan for KMPs and employees
Fair value of options as on grant date (₹)	1870.3 - 2745.84	1663.6 - 2271.5
Share price as on grant date (₹)	6098 - 8051	5458
Exercise price (₹)	6098 - 8051	5458
Expected volatility	45.00%	45.00%
Expected life (expected weighted average life)	3 to 6 years	3 to 6 years
Expected dividends	4.91%	2.28%
Risk- free interest rate (based on government bonds)	5.22% to 6.24%	4.47% to 5.64%
Method used to determine expected volatility	The expected volatility is based on price volatility of listed companies in same or similar industry.	The expected volatility is based on price volatility of listed companies in same or similar industry.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
(A) Equity-settled Share-based payments:				
Options outstanding as at the beginning of the year	2,28,650	₹ 5,237	1,10,000	₹ 4,254
Add: Options granted during the year	1,10,500	₹ 6,858	1,67,500	₹ 5,458
Less: Options lapsed / forfeited during the year	23,250	₹ 5,445	12,250	₹ 4,994
Less: Options exercised during the year	62,400	₹ 5,017	36,600	₹ 3,375
Options outstanding as at the year end	2,53,500	₹ 5,979	2,28,650	₹ 5,237
Options exercisable as at the year end	3,500	₹ 5,344	3,950	₹ 2,028

D. Expense recognised in the statement of profit and loss

Refer note 31 on employee benefit expense, for information on expense charged to the Statement of profit and loss on account of share based payments.

E. ESOP granted by parent

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using binomial option-pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

As at 31 March 2021	
Share option plan for KMPs and employees	
Fair value of options as on grant date (₹)	285 - 372
Share price as on grant date (₹)	1235.8
Exercise price (₹)	1235.8
Expected volatility	20.13% to 28.93%
Expected life (expected weighted average life)	1 to 6 Years
Expected dividends	0.61%
Risk- free interest rate (based on government bonds)	4.63% to 5.75%
Method used to determine expected volatility	The expected volatility is based on price volatility of listed companies in same or similar industry.

Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	Number of options		Weighted average exercise price	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
(A) Equity-settled Share-based payments:				
Options outstanding as at the beginning of the year	13,93,460	9,89,160	₹ 1,077	₹ 1,000
Add: Options granted during the year	-	4,85,400	-	₹ 1,236
Less: Options lapsed / forfeited during the year	51,100	62,400	₹ 1,289	₹ 1,110
Less: Options exercised during the year	2,47,760	18,700	1,214.30	₹ 1,031
Options outstanding as at the year end	10,94,600	13,93,460	₹ 1,386	₹ 1,077
Options exercisable as at the year end	5,78,900	5,50,760	₹ 1,493	₹ 899

Expense recognised in the statement of profit and loss

Refer note 31 on employee benefit expense, for information on expense charged to the Statement of profit and loss on account of share based payments.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

45 Revenue from contract with customers

The Company derives revenue primarily from the share broking business. Its other major revenue sources are the distribution income and treasury income.

Disaggregate revenue information

- 1 The table below presents disaggregate revenues from contracts with customers for the year ended 31 March 2022 by type of revenue segregated into its operating segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

Broking Income - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract.

Distribution Income - Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant after deducting claw back amount as per the agreed terms. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

Interest Income - Interest is earned on delayed payments from clients and amounts funded to them. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

2 Disaggregate revenue information:

(₹ in lacs)

Particulars	31 March 2022	31 March 2021
Broking	1,15,547	1,01,478
Distribution	24,665	12,524
Interest on Loan	45,878	15,720
Interest income	213	218
Total	1,86,303	1,29,940

3 Nature, timing of satisfaction of the performance obligation and significant payment terms.

Income from services rendered as a broker is recognised upon rendering of the services.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.

Income from services rendered as a broker is recognised upon rendering of the services.

Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.

Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

46 Movement of provisions for the year ended 31 March 2022 comprises of:

₹ in lacs

Particulars	Opening	Addition	Deletion	Closing
Service Tax Demand*	713	-	-	713
Dispute with respect to trades executed**	49	198	-	247
Total	762	198	-	960

Movement of provisions for the year ended 31 March 2021 comprises of:

₹ in lacs

Particulars	Opening	Addition	Deletion	Closing
Service Tax Demand	636	77	-	713
Dispute with respect to trades executed	49	-	-	49
Total	685	77	-	762

Note:

* outstanding service tax demand for July 2012 - March 2018 raised by the department, the appeal is still pending with CESTAT for disbursal.

**The client lost the case before the Arbitration Panel - level 1 and also the appeal before the Arbitration Appellate Bench. Client later has filed a criminal application before the Judicial Magistrate, Andheri Court alleging criminal liability against the various officials of the Company and the Company as well.

47 Auditors Remuneration

(₹ in lacs)

Particulars	31 March 2022	31 March 2021
Auditor	35	33
For other services	-	-
For reimbursement of expenses	1	1
Total	36	34

48 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

49 CWIP and IAUD aging schedule

CWIP Amount in CWIP for a year ended 31 March 2022 (₹ in lacs)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	259	57	3	-	319
Projects temporarily suspended					-

For capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

CWIP To be completed in (₹ in lacs)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1					-
Project 2					-

Details of projects where activity has been suspended shall be given separately.

CWIP Amount in CWIP for a year ended 31 March 2021 (₹ in lacs)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	453	33	7	1	494
Projects temporarily suspended					-

For capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

CWIP To be completed in (₹ in lacs)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1					-
Project 2					-

Details of projects where activity has been suspended shall be given separately.

IAUD Amount in IAUD for a year ended 31 March 2022 (₹ in lacs)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	997	118	-	36	1,151
Projects temporarily suspended					-

For Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

IAUD To be completed in (₹ in lacs)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1					-
Project 2					-

Details of projects where activity has been suspended shall be given separately.

IAUD Amount in IAUD for a year ended 31 March 2021 (₹ in lacs)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	338	188	59	-	585
Projects temporarily suspended					-

For Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

IAUD To be completed in (₹ in lacs)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1					-
Project 2					-

Details of projects where activity has been suspended shall be given separately.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

50 Struck off company

as at 31 March 2022

(₹ in lacs)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship
	Investment in securities	-	
	Receivables	-	
	Payables	-	
	Shares held by struck off company	-	
	Other outstanding balances	-	

as at 31 March 2021

(₹ in lacs)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship
	Investment in securities	-	
	Receivables	-	
	Payables	-	
	Shares held by struck off company	-	
	Other outstanding balances	-	

51 Key Ratios

Particulars	31 March 2022	31 March 2021
1 Current Ratio	1.23	1.41
2 Debt-Equity Ratio (times)	2.79	1.38
3 Debt service coverage ratio (times)	0.32	0.49
4 Interest Services Coverage Ratio	9.45	18.82
5 Net Worth (₹ in lacs)	1,65,791	1,48,031
6 Net Profit after tax (₹ in lacs)	98,435	70,322
7 Earnings per share (Diluted) (₹)	622	447
8 Outstanding redeemable preference shares	Not Applicable	Not Applicable
9 Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable
10 Long Term Debt to Working Capital Ratio	Nil	Nil
11 Bad Debts to Accounts Receivables Ratio	Nil	Nil
12 Current Liability Ratio	0.99	0.98
13 Total Debts to Total Assets	0.58	0.43
14 Return on equity ratio	59%	48%
15 Inventory turnover ratio	-	-
16 Trade receivables turnover ratio	3.93	3.18
17 Trade payables turnover ratio	1.40	1.35
18 Net capital turnover ratio	32%	43%
19 Cost to Income Ratio	34%	32%
20 Operating profit ratio	66%	68%
21 Net profit ratio	49%	50%
22 Return on capital employed	24%	28%
23 Return on investment	12%	15%

HDFC Securities Limited**Notes forming part of the Financial Statements****(For the year ended 31 March 2022)****Explanation**

1	Current Ratio	Current Assets / Current Liabilities
2	Debt-Equity Ratio (times)	Debt / Equity
3	Debt service coverage ratio	Earning before Interest Tax Depreciation Amortization EBITDA / Interest + Principal
4	Interest Services Coverage Ratio	Profit before interest and tax / Interest expenses
5	Net Worth	Equity + Other Equity
6	Net Profit after tax	Total Income - Total Expense - Total Tax Expense
7	Earnings per share (Diluted)	Weighted average number of equity shares / Net profit after tax
8	Outstanding redeemable preference shares	Not Applicable
9	Capital redemption / Debenture redemption reserve	Not Applicable
10	Long Term Debt to Working Capital Ratio	Company do not have any Long Term Debt and hence the ratio is Nil
11	Bad Debts to Accounts Receivables Ratio	Company do not have any Bad Debts (Expected credit loss provided) and hence the ratio is Nil
12	Current Liability Ratio	Current Liability / Total Liability
13	Total Debts to Total Assets	Borrowings / Total Assets
14	Return on equity ratio	Profit for the year / Shareholder's Equity * 100
15	Inventory turnover ratio	-
16	Trade receivables turnover ratio	Total Income / Trade Receivable
17	Trade payables turnover ratio	Total Income / Trade Payable
18	Net capital turnover ratio	Total Income / Working Capital (Total Assets - Shareholder's Equity) * 100
19	Cost to Income Ratio	Total Expenses / Total Income
20	Operating profit ratio	Profit before tax / Total Income * 100
21	Net profit ratio	Profit for the year / Total Income * 100
22	Return on capital employed	Earning before Interest Tax EBIT / Capital Employed * 100
23	Return on investment	Profit for the year / Total Assets * 100

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

52 Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	(₹ in lacs)		
	31 March 2022	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	96,792	96,792	-
Bank Balance other than (4) above	2,63,091	2,63,091	-
Receivables			
Trade Receivables	50,586	48,767	1,819
Loans	3,28,348	3,28,348	-
Investments	24,377	21,217	3,160
Other Financial Assets	6,102	5,172	930
	<u>7,69,296</u>	<u>7,63,387</u>	<u>5,909</u>
Non-Financial Assets			
Current tax assets (Net)	3,049	-	3,049
Deferred tax Assets (Net)	-	-	-
Investment Property	1,397	-	1,397
Property, Plant and Equipment	7,584	-	7,584
Right-of-use assets	6,147		6,147
Capital work-in-progress	319		319
Intangible assets under development	1,151		1,151
Other Intangible assets	1,968		1,968
Other non-financial assets	1,343	987	356
	<u>22,958</u>	<u>987</u>	<u>21,971</u>
TOTAL ASSETS	<u>7,92,254</u>	<u>7,64,374</u>	<u>27,880</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	11	11	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,42,057	1,42,057	-
Borrowings	4,61,914	4,61,914	-
Lease Liabilities	6,936	155	6,781
Other financial liabilities	469	392	77
	<u>6,11,387</u>	<u>6,04,529</u>	<u>6,858</u>
Non-Financial Liabilities			
Current tax liabilities (Net)	179	179	-
Provisions	11,733	11,499	234
Deferred tax liabilities (Net)	280	-	280
Other non-financial liabilities	2,884	2,884	(0)
	<u>15,075</u>	<u>14,562</u>	<u>513</u>
Total Liabilities	<u>6,26,462</u>	<u>6,19,091</u>	<u>7,371</u>
Net	<u>1,65,792</u>	<u>1,45,283</u>	<u>20,508</u>

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

	(₹ in lacs)		
Particulars	31 March 2021	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	59,854	59,854	-
Bank Balance other than (4) above	1,57,981	1,57,981	-
Receivables			
Trade Receivables	43,961	43,001	960
Loans	1,67,415	1,67,415	-
Investments	23,595	22,510	1,085
Other Financial Assets	4,385	2,581	1,804
	<u>4,57,191</u>	<u>4,53,342</u>	<u>3,849</u>
Non-Financial Assets			
Current tax assets (Net)	2,232	-	2,232
Deferred tax Assets (Net)	61	-	61
Investment Property	1,424	-	1,424
Property, Plant and Equipment	6,015	-	6,015
Right-of-use assets	5,285	-	5,285
Capital work-in-progress	494	-	494
Intangible assets under development	585	-	585
Other Intangible assets	1,638	-	1,638
Other non-financial assets	966	812	154
	<u>18,700</u>	<u>812</u>	<u>17,888</u>
TOTAL ASSETS	<u>4,75,891</u>	<u>4,54,154</u>	<u>21,738</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	28	28	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,03,959	1,03,959	-
Borrowings	2,04,043	2,04,043	-
Lease Liabilities	5,990	18	5,972
Other financial liabilities	291	220	71
	<u>3,14,311</u>	<u>3,08,268</u>	<u>6,043</u>
Non-Financial Liabilities			
Current tax liabilities (Net)	179	179	-
Provisions	8,747	8,747	-
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	4,623	4,623	-
	<u>13,549</u>	<u>13,549</u>	<u>-</u>
Total Liabilities	<u>3,27,861</u>	<u>3,21,817</u>	<u>6,043</u>
Net	<u>1,48,031</u>	<u>1,32,337</u>	<u>15,694</u>

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2022)

53 Title deeds of immovable properties

as at 31 March 2022

₹ in lacs

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company**
NA						

Note: All immovable properties title deeds under the name of HDFC Securities Limited

as at 31 March 2021

₹ in lacs

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company**
NA						

Note: All immovable properties title deeds under the name of HDFC Securities Limited

54 COVID 19

The COVID -19 pandemic continues to have a considerable impact on economic activities across the various parts of the country and across the globe. The Government of India and various state governments have introduced a series of initiatives over the past year including lockdowns in order to contain the impact of the virus.

Stock broking and depository services have been declared as essential services all through the year and accordingly, the Company has faced no business stoppage/interruption on account of the lockdown. As of 31 March 2022, based on facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern.

55 Events after reporting date

Other than the events relating to COVID 19, which has been covered in Note 54, there are no material events after the reporting date that require disclosure in these financial statements.

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

RITESH
KALYANMAL
AL GOYAL
Digitally signed by RITESH KALYANMAL GOYAL
Date: 2022.04.13 20:38:02 +05'30'

RITESH GOYAL

Partner

Membership No. 115007

Place: Mumbai

Date: 13 April 2022

For and on behalf of the Board of Directors

HDFC Securities Limited

CIN Number: U67120MH2000PLC152193

DHIRAJ
RELLI
Digitally signed by DHIRAJ RELI
Date: 2022.04.13 15:30:54 +05'30'

DHIRAJ RELI

Managing Director

DIN: 07151265

ASHISH
KAMALKISHORE
RATHI
Digitally signed by ASHISH KAMALKISHORE RATHI
Date: 2022.04.13 15:34:44 +05'30'

ASHISH RATHI

Whole Time Director

DIN: 07731968

Place: Mumbai

Date: 13 April 2022

KUNAL SURESH
SANGHAVI
Digitally signed by KUNAL SURESH SANGHAVI
Date: 2022.04.13 15:39:31 +05'30'

KUNAL SANGHAVI

Chief Financial Officer

MITUL
SURAJLAL
PALANKAR
Digitally signed by MITUL SURAJLAL PALANKAR
Date: 2022.04.13 15:44:37 +05'30'

MITUL PALANKAR

Company Secretary

B S R & Co. LLP

Chartered Accountants

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

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Independent Auditor's Report

To the Members of HDFC Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HDFC Securities Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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 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 2023, 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 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 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 financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Technology

The key audit matter	How the matter was addressed in our audit
Information Technology ("IT") systems and controls The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial	Our audit procedures to assess the IT systems and controls included the following: 1. Performed testing the design of General IT Controls (GITCs) for the audit period which included controls over access to program and data, program changes, system changes,

Registered Office:

Independent Auditor's Report (Continued)

HDFC Securities Limited

<p>accounting and reporting significantly. The Company uses Sun system for its overall financial reporting. The Company's General Ledger system used in financial reporting is interfaced with other IT systems which process transactions of account relevant for financial reporting.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p>	<p>program development, computer operations (job processing, data backup, system backup, incident management) over financial accounting and reporting systems and related IT systems (referred to as 'in-scope systems').</p> <ol style="list-style-type: none"> 2. Testing the operating effectiveness of GITCs for the audit period over the in-scope systems as follows: <ol style="list-style-type: none"> a User access creation, modification and revocation process; b User access review process; – Segregation of duties; c Password policies; – Application change management procedures; and d Computer Operations process (automated job processes, backups and incident management). 3. Understanding IT application controls for the audit period for significant accounts, testing interfaces, reports, reconciliations and system processing for significant accounts determined by us during our risk assessment. We tested the change management controls to determine that these controls remained unchanged during the audit period and incase of changes, were changes followed the standard process. 4. Understanding IT infrastructure records for the in-scope systems i.e., operating systems and databases.
---	---

Other Information (or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon")

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance .

Independent Auditor's Report (*Continued*)

HDFC Securities Limited

Management's and Board of Directors' Responsibilities for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements, including the

Independent Auditor's Report (Continued)

HDFC Securities Limited

disclosures, and whether the 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 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid 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 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. 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 2023 on its financial position in its financial statements - Refer Note 36 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 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 its knowledge and belief, as disclosed in

Independent Auditor's Report (Continued)

HDFC Securities Limited

the Note 7 to the 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 its knowledge and belief, as disclosed in the Note 15 to the 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 performed 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 accordance with Section 123 of the Act.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

RITESH Digitally signed
KALYAN by RITESH
MAL KALYANMAL
GOYAL GOYAL
GOYAL Date: 2023.04.14
 17:57:43 +05'30'

Ritesh Goyal

Partner

Place: Mumbai

Date: 14 April 2023

Membership No.: 115007

ICAI UDIN:23115007BGXPOW3095

Annexure A to the Independent Auditor's Report on the Financial Statements of HDFC Securities Limited for the year ended 31 March 2023

(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 in a phased manner over a period of 3 years. In accordance with this programme, certain 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/discrepancy were/was 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 leases agreements are duly executed in favour of the lessee) disclosed in the 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 broking services to its clients in the capital market. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of 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 made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of HDFC Securities Limited for the year ended 31 March 2023 (Continued)

Particulars	Guarantees	Security	Loans (Rs. in lakhs)	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others#	-	-	364,511	-
Balance outstanding as at balance sheet date				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others*	-	-	274,757	-

*As per the Companies Act, 2013

#The amount represents maximum loan outstanding during the year computed at day end rests.

- (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, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party 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 is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and securities under Section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Act in respect of grant of loans and making investments. The Company has not provided any

Annexure A to the Independent Auditor's Report on the Financial Statements of HDFC Securities Limited for the year ended 31 March 2023 (Continued)

guarantees and securities. Accordingly, para 3(iv) of the Order is not applicable to that extent.

- (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 amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs 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, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 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, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	4	Financial Years 2004-05 and 2005-06	Commissioner of Central Excise (Appeal)	None
Finance Act, 1994	Service Tax	1	Financial Years 2014-15 to 2017-18	Deputy / Assistant Commissioner Div. II	None
Finance Act, 1994	Service Tax	5	Financial Years 2014-15 to 2017-18	Deputy / Assistant Commissioner Div. II	None
Jammu and Kashmir Stamp Act, 1977	Stamp Duty	58	Financial Years 2011-12 and 2016-17	Jammu and Kashmir High Court	None
Finance Act, 1994	Service Tax	713	Financial Year 2012-13 to 2017-18	Custom, Excise and Service Tax Appellate Tribunal	None

Annexure A to the Independent Auditor's Report on the Financial Statements of HDFC Securities Limited for the year ended 31 March 2023 (Continued)

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Act, 1961	Income Tax	253	Assessment year 2012-13	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	81	Assessment year 2014-15	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	2,516	Assessment year 2017-18	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	1,875	Assessment year 2018-19	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	143	Assessment year 2013-14	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	431	Assessment Year 2017-18	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	98	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	198	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	217	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)	None

- (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 has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Financial Statements of HDFC Securities Limited for the year ended 31 March 2023 (Continued)

- 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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. 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 balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
 - (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 subsidiaries, joint ventures or associate companies (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) Based on 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 course of the audit.
 - (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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
 - (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 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.

Annexure A to the Independent Auditor's Report on the Financial Statements of HDFC Securities Limited for the year ended 31 March 2023 (Continued)

- (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.
- (b) 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 ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Digitally signed
by RITESH
KALYANMAL
GOYAL
Date: 2023.04.14
17:59:23 +05'30'

RITESH

KALYANMAL

AL GOYAL

Ritesh Goyal

Partner

Place: Mumbai

Date: 14 April 2023

Membership No.: 115007

ICAI UDIN:23115007BGXPOW3095

Annexure B to the Independent Auditor's Report on the financial statements of HDFC Securities Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) 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 Securities Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the 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 2023, 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 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

Annexure B to the Independent Auditor's Report on the financial statements of HDFC Securities Limited for the year ended 31 March 2023 (Continued)

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

RITESH
KALYANM
AL GOYAL

Digitally signed
by RITESH
KALYANMAL
GOYAL
Date: 2023.04.14
18:00:50 +05'30'

Ritesh Goyal

Partner

Place: Mumbai

Date: 14 April 2023

Membership No.: 115007

ICAI UDIN:23115007BGXPOW3095

Balance Sheet as at 31 March 2023

(₹ in lacs)

Particulars	Note	As at	
		31 March 2023	31 March 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	39,210	1,31,792
Bank Balance other than (4) above	5	3,11,740	2,28,091
Receivables			
Trade Receivables	6	40,727	50,586
Loans	7	2,74,757	3,28,348
Investments	8	1,21,361	24,377
Other Financial Assets	9	13,191	6,102
		8,00,986	7,69,296
Non-Financial Assets			
Current tax assets (Net)		3,829	3,049
Deferred tax Assets (Net)	34	-	-
Investment Property	10	1,368	1,397
Property, Plant and Equipment	11	8,051	7,584
Right-of-use assets	12	5,487	6,147
Capital work-in-progress	11	131	319
Intangible assets under development	11	2,743	1,151
Other Intangible assets	11	2,908	1,968
Other non-financial assets	13	1,297	1,343
		25,814	22,958
TOTAL ASSETS		8,26,800	7,92,254
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	14		
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises		20	11
- total outstanding dues of creditors other than micro enterprises and small enterprises		98,171	1,42,057
Borrowings	15	5,25,410	4,61,914
Lease Liabilities	16	6,491	6,936
Other financial liabilities	17	2,855	469
		6,32,947	6,11,387
Non-Financial Liabilities			
Current tax liabilities (Net)		179	179
Provisions	18	11,055	11,733
Deferred tax liabilities (Net)	34	367	280
Other non-financial liabilities	19	2,538	2,884
		14,139	15,076
Equity			
Equity Share capital	20	1,589	1,583
Other Equity	21	1,78,125	1,64,208
		1,79,714	1,65,791
TOTAL LIABILITIES AND EQUITY		8,26,800	7,92,254

The accompanying notes form an integral part of this financial statements (1 to 54)

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Digitally signed
by RITESH
KALYANMAL
GOYAL
AL GOYAL
Date: 2023.04.14
17:38:56 +05'30'

RITESH GOYAL
Partner
Membership No. 115007

Place: Mumbai
Date: 14 April 2023

For and on behalf of the Board of Directors of
HDFC Securities Limited
CIN Number: U67120MH2000PLC152193

Digitally signed
by Dhiraj Relli
Date: 2023.04.14
16:17:38 +05'30'

DHIRAJ RELLI
Managing Director
DIN: 07151265

Digitally signed
by ASHISH
KAMALKISH
ORE RATHI
Date: 2023.04.14
16:20:15 +05'30'

ASHISH RATHI
Whole Time Director
DIN: 07731968
Place: Mumbai
Date: 14 April 2023

Digitally signed by
KUNAL SURESH
SANGHAVI
SANGHAVI
Date: 2023.04.14
16:27:14 +05'30'

KUNAL SANGHAVI
Chief Financial Officer

Digitally signed by
MITUL SURAJLAL
PALANKAR
PALANKAR
Date: 2023.04.14
16:30:15 +05'30'

MITUL PALANKAR
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2023

(₹ in lacs)

Particulars	Note	Year Ended	
		31 March 2023	31 March 2022
Revenue from operations			
Brokerage and Fee Income	22	1,16,482	1,40,937
Interest Income	23	64,797	52,804
Sale of Services	24	1,146	1,466
Net gain on fair value changes	25	4,739	2,132
Rental Income	26	221	207
Dividend Income	27	16	11
Total Revenue from operations		1,87,401	1,97,557
Other Income	28	1,762	1,474
Total Income		1,89,163	1,99,031
Expenses			
Finance Costs	29	29,588	15,634
Impairment on financial instruments	30	2,098	590
Employee Benefits Expenses	31	27,471	25,740
Depreciation, amortization and impairment	10,11,12	5,745	4,230
Other expenses	32	20,071	20,806
Total Expenses		84,973	67,000
Profit before tax		1,04,190	1,32,031
Tax expense	34		
Current Tax		26,334	33,217
Deferred Tax		134	380
Total tax expense		26,468	33,597
Profit for the year		77,722	98,434
Other comprehensive income :			
Items that will not be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans		(182)	(155)
Income tax effect		46	39
Other comprehensive income for the year, net of tax		(136)	(116)
Total comprehensive income for the period, net of tax		77,586	98,318
Earnings per equity share - [Nominal value of the shares ₹10]			
Basic (in ₹)		490.22	623.21
Diluted (in ₹)		489.84	621.78

The accompanying notes form an integral part of this financial statements (1 to 54)

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

RITESH
KALYANM
AL GOYAL

Digitally signed
by RITESH
KALYANM
GOYAL
Date: 2023.04.14
17:39:32 +05'30'

RITESH GOYAL
Partner
Membership No. 115007

For and on behalf of the Board of Directors of
HDFC Securities Limited
CIN Number: U67120MH2000PLC152193

Dhiraj
Relli

Digitally signed
by Dhiraj Relli
Date: 2023.04.14
16:18:09 +05'30'

DHIRAJ RELI
Managing Director
DIN: 07151265

ASHISH
KAMALKISH
ORE RATHI

Digitally signed by
ASHISH KAMALKISH
ORE RATHI
Date: 2023.04.14
16:24:28 +05'30'

ASHISH RATHI
Whole Time Director
DIN: 07731968
Place: Mumbai
Date: 14 April 2023

KUNAL
SURESH
SANGHAVI

Digitally signed by
KUNAL SURESH
SANGHAVI
Date: 2023.04.14
16:27:45 +05'30'

KUNAL SANGHAVI
Chief Financial Officer

MITUL
SURAJLAL
PALANKAR

Digitally signed by
MITUL SURAJLAL
PALANKAR
Date: 2023.04.14
16:30:47 +05'30'

MITUL PALANKAR
Company Secretary

Place: Mumbai
Date: 14 April 2023

HDFC Securities Limited

Statement of Changes in Equity for the year ended 31 March 2023

(₹ in lacs)

Equity Share Capital

Equity shares of ₹10 each issued, subscribed and fully paid	Number of shares	Amount
Balance as at 1 April 2022	1,58,28,975	1,583
Changes in equity share capital during FY 2022-23	65,625	6
Balance as at 31 March 2023	1,58,94,600	1,589

Equity shares of ₹10 each issued, subscribed and fully paid	Number of shares	Amount
Balance as at 1 April 2021	1,57,66,575	1,577
Changes in equity share capital during FY 2021-22	62,400	6
Balance as at 31 March 2022	1,58,28,975	1,583

Other Equity

	Share based payment reserve		Reserves and Surplus		Capital Contribution from parent	Retained Earnings	other comprehensive income	Total
	Share based payment reserve	Securities premium	General reserve	Reserves and Surplus				
Balance as at 1 April 2022	2,131	12,760	2,500	2,500	3,298	1,43,461	57	1,64,207
Transfer to Securities Premium from share based payment reserve	(1,249)	1,249	-	-	-	-	-	3,509
Premium on issue of share capital	-	3,549	-	-	-	77,722	-	77,722
Profit for the year	-	-	-	-	-	(69,791)	-	(69,791)
Dividends excluding dividend tax	-	-	-	-	-	-	-	2,573
Share based payment cost	2,186	-	-	-	386	-	(136)	(136)
Other Comprehensive income	-	-	-	-	-	-	(79)	(79)
Balance as at 31 March 2023	3,069	17,558	2,500	2,500	3,684	1,51,393	(79)	1,78,125

Other Equity

	Share based payment reserve		Reserves and Surplus		Capital Contribution from parent	Retained Earnings	other comprehensive income	Total
	Share based payment reserve	Securities premium	General reserve	Reserves and Surplus				
Balance as at 1 April 2021	1,223	8,634	2,500	2,500	2,434	1,31,490	173	1,46,454
Transfer to Securities Premium from share based payment reserve	(1,003)	1,003	-	-	-	-	-	3,124
Premium on issue of share capital	-	3,124	-	-	-	98,434	-	98,434
Profit for the year	-	-	-	-	-	(86,462)	-	(86,462)
Dividends excluding dividend tax	-	-	-	-	-	-	-	2,775
Share based payment cost	1,911	-	-	-	864	-	(116)	(116)
Other Comprehensive income	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	2,131	12,761	2,500	2,500	3,298	1,43,462	57	1,64,208

Refer Note # 21 for description of the purpose of each reserve within equity (as per schedule III)

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

RIEESH KALYANA AL GOVAL
RITESH GOVAL
Partner
Membership No. 115007

For and on behalf of the Board of Directors of
HDFC Securities Limited
CIN Number: U67120MH2000PLC152193

Dhiraj Relli
Managing Director
DIN: 07151265

KUNAL SURESH SANGHAVI
KUNAL SANGHAVI
Chief Financial Officer
DIN: 07151265

ASHISH KAMALKISHOR RATHI
ASHISH RATHI
Whole Time Director
DIN: 07731968

MITUL SURAJLAL PALANKAR
MITUL PALANKAR
Company Secretary
Place: Mumbai
Date: 14 April 2023

Cash Flow Statement for the year ended 31 March 2023

(₹ in lacs)

	Year Ended	
	31 March 2023	31 March 2022
Cash Flow from operating activities		
Profit before tax	1,04,190	1,32,031
Adjustments		
Depreciation & Amortization	5,745	4,230
Share based payments to employees	2,574	2,775
Impairment on financial instruments	2,098	590
Loss on sale / w/off of Property, Plant & Equipment	124	(4)
Rental income from investment property	(221)	(207)
Change in Fair value of investments	(4,739)	(2,132)
Finance Costs	29,588	15,634
Interest Income	(2,659)	-
Dividend Income	(16)	(11)
	1,36,684	1,52,905
Working capital adjustments:		
Decrease / (Increase) in Other Bank Balance	(83,649)	(75,110)
Decrease / (Increase) in trade receivables	7,762	(7,215)
Decrease / (Increase) in loans	53,591	(1,60,933)
Decrease / (Increase) in Other financial assets	(7,089)	(1,717)
Decrease / (Increase) in Other non-financial assets	46	(378)
Increase/ (Decrease) in trade and other payables	(43,878)	38,081
Increase/ (Decrease) in lease liability	(445)	946
Increase/ (Decrease) in other financial liabilities	2,386	178
Increase/ (Decrease) in Provisions	(860)	2,831
Increase/ (Decrease) in Other non-financial liabilities	(345)	(1,739)
	64,202	(52,151)
Income tax paid	(27,114)	(34,034)
Net Cash Flow (used in) / from operating activities (A)	37,088	(86,185)
Investing activities		
Purchase of property, plant and equipment	(7,990)	(7,351)
Rental income received	221	207
Purchase of investments	(97,787)	(3,347)
Proceeds from sale / fair value change of current investments	5,542	4,696
Dividend received	16	11
Interest received	2,659	-
Net cash flows (used in) / from investing activities (B)	(97,341)	(5,782)

Cash Flow Statement for the year ended 31 March 2023

(₹ in lacs)

	Year Ended	
	31 March 2023	31 March 2022
Financing activities:		
Proceeds from Issuance of equity share capital	3,554	3,130
Proceeds from Issuance of Commercial Papers	19,35,096	16,81,914
Redemption of Commercial Papers	(18,71,600)	(14,25,000)
Finance Costs	(29,588)	(14,677)
Dividend paid, including dividend tax	(69,791)	(86,462)
Net cash flows from financing activities (C)	(32,329)	1,58,905
Net increase in cash and cash equivalents (A+B+C)	(92,582)	66,937
Cash and Cash equivalents at the beginning of the year	1,31,792	64,854
Cash and Cash equivalents at the end of the year	39,210	1,31,792
Components of cash and cash equivalents		
Cash in hand	-	-
Balances with Banks - In current accounts	39,210	96,792
Deposit accounts (with original maturity of 3 months or less)	-	35,000
Cash and Cash equivalents at the end of the year (Refer Note # 4)	39,210	1,31,792

Cash flow statement is being prepared using indirect method

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

RITESH
KALYANMAL
AL GOYAL

Digitally signed
by RITESH
KALYANMAL
GOYAL
Date: 2023.04.14
17:41:22 +05'30'

RITESH GOYAL
Partner
Membership No. 115007

Place: Mumbai
Date: 14 April 2023

For and on behalf of the Board of Directors of
HDFC Securities Limited
CIN Number: U67120MH2000PLC152193

Dhiraj
Relli

Digitally signed by
Dhiraj Relli
Date: 2023.04.14
16:19:07 +05'30'

DHIRAJ RELLI
Managing Director
DIN: 07151265

ASHISH
KAMALKISH
ORE RATHI

Digitally signed by
ASHISH
KAMALKISHORE RATHI
Date: 2023.04.14
16:25:22 +05'30'

ASHISH RATHI
Whole Time Director
DIN: 07731968
Place: Mumbai
Date: 14 April 2023

KUNAL
SURESH
SANGHAVI

Digitally signed by
KUNAL SURESH
SANGHAVI
Date: 2023.04.14
16:28:41 +05'30'

KUNAL SANGHAVI
Chief Financial Officer

MITUL
SURAJLAL
PALANKAR

Digitally signed by
MITUL SURAJLAL
PALANKAR
Date: 2023.04.14
16:31:41 +05'30'

MITUL PALANKAR
Company Secretary

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2023

1 Corporate Information

HDFC Securities Limited (the "Company") is engaged in a single line of business as a provider of broking services to its clients in capital market. The Company is a public company listed in the Debt Market in BSE that is a majority owned subsidiary of HDFC Bank Limited (the "Parent"). The Company is registered as a "Stock Broker" with the Securities and Exchange Board of India ("SEBI") and as a "Corporate Agent" with the Insurance Regulatory and Development Authority ("IRDA"). As a brokerage house, its activities includes different types of services including agency transactions, subscription based services and distribution of financial products.

HDFC Securities Limited, Lodha - I Think Techno Campus, Building - Alpha, 8th Floor, Jolly Board Campus, Kanjurmarg (East), Mumbai 400042, Maharashtra, India

2 Basis of preparation

2.1. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of Companies Accounting Policies are included in Note 3

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest lacs, unless otherwise indicated.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policies regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share Based payments	Fair value (refer accounting policies regarding financial instruments)

2.4. Use of estimates & Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2023

I. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

II. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 38.

III. Recognition of deferred tax assets / liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 34.

IV. Recognition and measurement of provision and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

V. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are discussed in note 44.

VI. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2.5. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2023

3 Significant accounting policies

3.1. Revenue from Contracts with Customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant after deducting claw back provision as per the agreed terms. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

3.2 Interest Income from Margin Trading Funding

Interest is recognised in relation to the loans and in relation to the Margin Trading Funding provided to customers. Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future receipts through expected life of the related financial asset to the gross carrying amount of such financial asset.

3.3 Other Income

Revenue from services rendered to counter parties are recognised as and when the related performance obligations are satisfied.

3.4 (a) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2023

ii. Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

iii. Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

<u>Asset</u>	<u>Estimated useful life</u>
Computer Hardware	3 years
Office Equipment	5 years
Furniture and fixtures	10 years
Leasehold Improvements	over the remaining period of the lease or estimated life, whichever is shorter
Electricals	10 years
Office premises	60 years

For the following categories of Property, plant and equipment, the Company has assessed useful life based on technical advice, taking into account the nature of the asset, the estimates usage of asset, the operating condition of asset, anticipated technological changes and utility in the business, as below:

<u>Asset</u>	<u>Estimated useful life</u>
Vehicles	4 years
Network & Servers	4 years

All Property, plant and equipment costing less than ₹ 5,000 individually are fully depreciated in the year of purchase. Useful lives are reviewed at each financial year end and adjusted if required.

iv. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

3.4. (b) Intangible assets

i. Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii. Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

HDFC Securities Limited

**Notes forming part of the Financial Statements
for the year ended 31 March 2023**

iii. Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

<u>Asset</u>	<u>Estimated useful life</u>
Computer software	5 years
Licenses Electronic trading platform (Website)	5 years
Bombay Stock Exchange Membership Card	10 years

All intangible assets costing less than ₹ 5,000 individually are fully amortised in the year of acquisition.

3.5. Investment property

Property given on lease to earn rental income, is classified as "Investment Property" as per requirement of Ind AS 40 "Investment Property". Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, Depreciation investment property has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

<u>Asset</u>	<u>Estimated useful life</u>
Investment Property	60 years

Any gain or loss on disposal of an investment property is recognised in the statement profit and loss.

The fair values of investment property is disclosed in the notes.

HDFC Securities Limited

Notes forming part of the Financial Statements

for the year ended 31 March 2023

3.6. Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.7. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

I. Recognition and initial measurement

Trade receivables, Loans and deposits are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issued.

II. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at :

- Amortised cost;
- Fair value through profit and loss ('FVTPL');
- Fair value through other comprehensive income ('FVOCI')

Financial assets (other than equity instruments)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

Financial assets measured at amortized cost

A financial asset that meets the following two conditions is measured at amortized cost (net of any written down for impairment) unless the asset is designated at FVTPL under the fair value option.

Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

Cash flow characteristics test: 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.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2023

Financial assets (equity instruments)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

All equity instruments are to be measured at FVTPL.

On initial recognition, a one time irrevocable choice for all equity instruments to designate the respective equity instrument as Fair Value through Other Comprehensive Income (FVOCI). All unrealized gains and losses are recognised in OCI and on disposal such accumulated gains or losses are transferred directly to retained earnings.

Financial assets measured at Fair Value

A financial asset which is not classified at amortized cost is subsequently measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in Other Comprehensive Income (i.e. fair value through other comprehensive income).

The assets classified in the aforementioned categories are subsequently measured as follows:

a) Financial assets at Fair Value Through Profit or Loss (FVTPL): These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss. Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL.

b) Financial assets at Fair Value Through Other Comprehensive Income (FVOCI): These assets are subsequently measured at fair value. Interest income under the effective interest method, dividends (unless the dividend clearly represents a recovery of part of the cost of the investment), foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial Liabilities

Classification, subsequent measurement and gains and losses

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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

III. Derecognition

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.

The Company enters into transactions whereby it transfers assets recognised on its 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.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2023

IV. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

V. Impairment

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company considers that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

3.8. Employee benefits

i) Short term employee benefits

Short term employee benefits include salaries and short term cash bonus. A liability is recognised for the amount expected to be paid under short-term cash bonus or target based incentives if the Company has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

ii) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. These comprise of contributions to the National pension scheme, employees' provident fund and family pension fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

iii) Defined benefit plans

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined-benefit plan in the nature of gratuity are calculated annually by an independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Remeasurements 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 OCI.

iv) Other long term employee benefits

Compensated absences which accrue to employees and which can be carried to future periods and are expected to be availed in more than twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits.

HDFC Securities Limited

Notes forming part of the Financial Statements

for the year ended 31 March 2023

v) Share-based payment transactions

a. The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.

b. That cost is recognized, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

c. When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

d. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

e. Grants provided by parent Company to the employees at deputation to the Company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as capital contribution from parent.

3.9. Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and reflects uncertainty related to income taxes, if there is any. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

3.10. Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: 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 or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Bank Guarantee: Bank Guarantee are been taken from banks and kept with exchanges as a margin to meet the margin obligation.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2023

3.11. Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits and short term deposit with banks with original maturities of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.12. Leases

The Company as lessee

The Company lease as set classes primarily consist of leases for office premises. The Company assesses whether a contract 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

HDFC Securities Limited

Notes forming part of the Financial Statements for the year ended 31 March 2023

3.13. Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions.

Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.14. Earning per Share

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.15. Segment Reporting

The Company's business is to provide broking services, to its clients, in the capital markets in India. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

3.16. Borrowing Costs

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument with reference to effective interest rate method.

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)**

Note 4: Cash and cash equivalents

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
(i) Cash in hand	-	-
(ii) Balances with Banks**	39,210	1,31,792
Total	39,210	1,31,792

** Refer Note # 42 for RPT transactions

Note 5: Bank Balance other than (4) above

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Earmarked accounts (unpaid dividend balance)	27	21
Fixed Deposits with Banks #	3,11,713	2,28,070
Total	3,11,740	2,28,091

Note:

Deposits pledged as margins / Bank Gaurantees 3,11,713 2,28,070

Note 6: Receivables

Trade Receivables

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Undisputed Trade Receivables - considered good	37,156	48,767
Less: Allowance for impairment loss	-	-
Undisputed Trade Receivables - considered doubtful**	4,976	2,705
Less: Allowance for impairment loss	(1,405)	(886)
Total	40,727	50,586

Note: Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member

** Refer Note # 42 for RPT transactions

Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables - considered good (net)	37,156	-	-	-	-	37,156
ii) Undisputed Trade Receivables - considered doubtful (net)	3,571	-	-	-	-	3,571
iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2022

Particulars	Outstanding the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables - considered good (net)	48,767	-	-	-	-	48,767
ii) Undisputed Trade Receivables - considered doubtful (net)	1,819	-	-	-	-	1,819
iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-

HDFC Securities Limited

Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

Note 7: Loans

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
A Amortised Cost		
Margin Trading Funding	2,75,153	3,28,814
Less: Allowance for impairment loss	(396)	(466)
Total	2,74,757	3,28,348
I) Secured by:		
i) Secured by tangible assets		
- Collateral in the form of cash, securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding	2,75,153	3,28,814
ii) Unsecured	-	-
Total Gross (i) + (ii)	2,75,153	3,28,814
Less: Allowance for impairment loss	(396)	(466)
Total Net	2,74,757	3,28,348
II) Loans in India		
Margin Trading Funding	2,75,153	3,28,814
Total Gross	2,75,153	3,28,814
Less: Allowance for impairment loss	(396)	(466)
Total Net	2,74,757	3,28,348
B At fair value through other comprehensive income	-	-
C At fair value through profit or loss	-	-
D At fair value designated at fair value through profit or loss	-	-
Total (A) + (B) + (C) + (D)	2,74,757	3,28,348

Note:

- During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) 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:
 - 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 to or on behalf of the Ultimate Beneficiaries.
- There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member
- There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 - repayable on demand; or
 - without specifying any terms or period of repayment

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)****Note 8: Investments**

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
A) At Amortised Cost		
Investments in Government securities		
5.74% GS 2026	487	-
7.38% GS 2027	2,500	-
6.54% GS 2032	61,357	-
7.26% GS 2032	7,456	-
B) At Fair Value Through profit or loss		
Investments in Mutual funds		
HDFC Liquid Fund Direct - Growth	11,202	10,598
SBI Magnum Gilt Fund Direct Growth	10,018	-
ICICI Prudential Liquid - Direct Plan - Growth	11,222	10,619
TRUSTMF Liquid Fund Direct Plan - Growth	510	-
Nippon I Gilt Securities Fund Direct Growth	10,012	-
Nippon I Eq Hybrid - Segregated Portfolio1 Dir-Div	0	0
Equity and Preference instruments		
BSE Limited	526	1,151
Yes Bank Limited	-	45
Smallcase Technologies Private Limited	660	793
Virtuoso Infotech Pvt Ltd	75	30
Borderless Softech Pvt Ltd	4,581	641
Baldor Technologies Pvt Ltd	755	500
Total Gross (A)	1,21,361	24,377
Investments in India	1,21,361	24,377
Total (B)	1,21,361	24,377
Less: Allowance for Impairment loss (C)	-	-
Total Net (D) (A)-(C)	1,21,361	24,377

HDFC Securities Limited

Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

Note 9: Other Financials Assets

a) Advances and Deposits

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Security Deposits		
Unsecured, considered good	529	487
Unsecured, considered doubtful	17	18
Less: Impairment loss	(17)	(18)
Fixed Deposits* # ^	1,129	211
Deposit with Stock Exchanges	450	277
Deposit with Bank for Arbitration^	31	17
Other Advances	1,043	958
Sub total	3,182	1,950
*With balance maturity of more than 12 months as at the balance sheet date		
# Deposits pledged as margins / Bank Gaurantees	1,129	211
^ Refer Note # 42 for RPT transactions		

b) Income Receivables

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due	8,073	2,222
Unbilled Revenue / Income Receivable	3,572	1,930
Less: Allowance for Impairment loss	(1,636)	-
Sub total	10,009	4,152
Total	13,191	6,102

Note 10: Investment Property

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Investment property	1,368	1,397
Total	1,368	1,397

Reconciliation of carrying amount

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Cost or Deemed Cost (gross carrying amount)	1,659	1,659
Accumulated depreciation opening	262	235
Depreciation for the year	29	27
Accumulated depreciation closing	291	262
Carrying amounts	1,368	1,397
Fair Value	2,360	4,057

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)**

Note 12: Right-of-use assets

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Right-of-use assets	5,487	6,147
Total	5,487	6,147

Reconciliation of carrying amount

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Carrying amount opening	6,147	5,285
Addition	606	1,926
Adjustments/deletion	-	-
Depreciation for the year	1,266	1,064
Carrying amount closing	5,487	6,147

Note 13: Other non-financial assets

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Prepaid Expenses	1,297	1,343
Total	1,297	1,343

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)**

Note 14: Payables

Trade Payables

Particulars	(₹ In lacs)	
	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of Micro enterprise and small enterprises	20	11
Total	20	11
Total outstanding dues of other than Micro enterprise and small enterprises		
Payable to Exchanges	-	-
Payable to Clients	98,095	1,41,559
Other trade payables	76	498
Total	98,171	1,42,057

Trade Payables ageing schedule as at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	20	-	-	-	20
ii) Others	98,171	-	-	-	98,171
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	11	-	-	-	11
ii) Others	1,42,057	-	-	-	1,42,057
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Footnote:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

Particulars	(₹ In lacs)	
	As at 31 March 2023	As at 31 March 2022
(a) The principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year	20	11
(c) The amount of interest paid, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The 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 this Act	16	9
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	4	2
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)**

Note 15: Borrowings at amortized cost

Particulars	As at	
	31 March 2023	31 March 2022
Commercial Papers*	4,25,783	4,41,914
MTF Loan	99,627	20,000
Total	5,25,410	4,61,914
Borrowings in India	5,25,410	4,61,914
Borrowings Outside India	-	-

Note:

As at 31/03/2023		As at 31/03/2022	
Tenure	Particulars	Rate of Interest	Maximum Outstanding
87-91 day	Commercial Papers	4.10% - 8.07%	4,30,000

As at 31/03/2022		As at 31/03/2021	
Tenure	Particulars	Rate of Interest	Maximum Outstanding
79-364 day	Commercial Papers	4.13% - 5.30%	4,45,000

* Refer Note # 43 for detail listing

Note

- 1 The Company is not declared willful defaulter by any bank or financial institution or other lender
- 2 During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) 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 to or on behalf of the Ultimate Beneficiaries

Note 16: Lease Liabilities

Particulars	As at	
	31 March 2023	31 March 2022
Lease Liabilities	6,491	6,936
Total	6,491	6,936

Note 17: Other financial liabilities

Particulars	As at	
	31 March 2023	31 March 2022
Security deposits received	89	76
Liabilities for capital goods	760	371
Other Liabilities	1,979	-
Unpaid dividends	27	21
Total	2,855	469

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)****Note 18: Provisions**

Particulars	(₹ In lacs)	
	As at 31 March 2023	As at 31 March 2022
(a) Provision for employee benefits		
Payroll & employee benefits	3,011	4,744
Provision for gratuity	262	234
Compensated absences	937	809
(b) Others		
Provision for expense	6,584	5,699
Provision For Contingencies	261	247
Total	11,055	11,733

Note 19: Other non-financial liabilities

Particulars	(₹ In lacs)	
	As at 31 March 2023	As at 31 March 2022
Deferred rental income	27	(0)
Statutory Dues including TDS and PF	2,019	1,917
Income received in advance	491	966
Provision for Fringe Benefit Tax	1	1
Total	2,538	2,884

HDFC Securities Limited

Notes forming part of the Financial Statements (For the year ended 31 March 2023)

Note 20: Share Capital

The Company has issued equity shares, the details in respect of which are given below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10 each	2,00,00,000	2,000	2,00,00,000	2,000
Issued, Subscribed & Paid-up				
Equity Shares of ₹10 each Fully Paid-up	1,58,94,600	1,589	1,58,28,975	1,583
Total	1,58,94,600	1,589	1,58,28,975	1,583

(i) Reconciliation of the number of shares outstanding at the beginning and end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,58,28,975	1,583	1,57,66,575	1,577
Shares issued under ESOP during the year	65,625	6	62,400	6
Shares outstanding at the end of the year	1,58,94,600	1,589	1,58,28,975	1,583

(ii) Rights, preferences and restriction attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is entitled to one vote per share held. The dividend is subject to the Board of Directors' approval in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(iii) Shares in the Company held by the holding Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity Shares held by HDFC Bank Limited	1,51,90,044	1,519	1,51,90,044	1,519
Total	1,51,90,044	1,519	1,51,90,044	1,519

(iv) Shares in the Company held by shareholders holding more than 5% of the aggregate equity shares in the Company

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
HDFC Bank Limited	1,51,90,044	95.57%	1,51,90,044	95.96%

(v) Shares reserved for issue under options

42,900 number of shares are reserved to be issued under employees stock option scheme (ESOP II)

(vi) Shares held by promoters at the end of the year

S No	Promoter Name	No of Shares	% of shares	% Change during the year
1	HDFC Bank Limited	1,51,90,044	95.57%	-0.40%

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)****Note 21: Other Equity**

Particulars	As at	(₹ in lacs) As at
	31 March 2023	31 March 2022
Share based payment reserve	3,069	2,131
Capital Contribution from parent	3,684	3,298
Securities Premium Account	17,558	12,760
Retained Earnings	1,43,461	1,31,490
Less: Appropriations - Final dividend on equity shares	-	-
Less: Appropriations(-) Interim Dividends**	(69,791)	(86,462)
Profit for the year	77,722	98,434
Other Comprehensive income	(79)	57
General Reserve Account	2,500	2,500
Total	1,78,125	1,64,208

** The Company has paid the interim dividend of ₹440 per share (Interim dividend for FY 21-22 was ₹547 per share) that it was declared during the year ended 31 March 2023

- a Share based payment reserve
Share based payment expense pertaining to outstanding portion of the option not yet exercised.
- b Capital Contribution from parent
Capital contribution from parent is the parent Company share based payment cost of the employees who are on secondment with Company.
- c Securities Premium Account
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.
- d Retained Earnings
Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.
- e Other comprehensive income
Other comprehensive income consist of remeasurement gains/ losses on defined benefit plans.
- f General Reserve Account
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)****Note 22: Brokerage and Fee Income**

Particulars	(₹ in lacs)	
	Year ended 31 March 2023	Year ended 31 March 2022
Brokerage Income**	80,832	1,15,547
Fee Income**	33,871	24,665
Depository Income	1,779	725
Total	1,16,482	1,40,937

Fee Income includes Commission on sale of insurance products as mentioned below:

Commission on sale of Life Insurance	4,864	3,759
Commission on sale of General Insurance	24	19
Commission on sale of Health Insurance	147	107

** Refer Note # 42 for RPT transactions

Note 23: Interest Income

Particulars	Year ended	
	31 March 2023	31 March 2022
On Financial Assets measured at Amortised Cost		
Interest on Loans	47,978	45,878
Interest on deposits with Banks**	13,862	6,713
Interest on GSec	2,659	-
Other interest Income	298	213
On Financial Assets classified at fair value through profit or loss		
Interest income from investments	-	-
Total	64,797	52,804

** Refer Note # 42 for RPT transactions

Note 24: Sale of Services

Particulars	Year ended	
	31 March 2023	31 March 2022
SMS and Value Added Services	1,146	1,466
Total	1,146	1,466

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)**

Note 25: Net gain on fair value changes

Particulars	(₹ in lacs)	
	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on financial instruments at fair value through profit or loss		
On Investment	4,739	2,132
Total	4,739	2,132
Fair Value changes:		
Realised	(117)	567
Unrealised	4,856	1,565
Total	4,739	2,132

Note 26: Rental Income

Particulars	Year ended	
	31 March 2023	31 March 2022
Rental income from operating leases	215	202
Amortisation of deferred rental income	6	5
Total	221	207

Note 27: Dividend Income

Particulars	Year ended	
	31 March 2023	31 March 2022
Dividend income on investments	16	11
Total	16	11

Note 28: Other Income

Particulars	Year ended	
	31 March 2023	31 March 2022
Miscellaneous income**	1,762	1,474
Total	1,762	1,474

** Refer Note # 42 for RPT transactions

Note 29: Finance Costs

Particulars	Year ended	
	31 March 2023	31 March 2022
On Financial liabilities measured at Amortised Cost		
Interest Expense	29,588	15,634
Total	29,588	15,634

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)****Note 30: Impairment on financial instruments**

Particulars	(₹ in lacs)	
	Year ended 31 March 2023	Year ended 31 March 2022
On Financial instruments measured at Amortised Cost		
Loans	(70)	(168)
Trade & Other Receivable	2,168	758
Total	2,098	590

Note 31: Employee Benefits Expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	22,519	21,411
Contribution to provident and other Funds	1,126	967
Share Based Payments to employees	2,574	2,775
Staff welfare expenses	1,252	588
Total	27,471	25,740

Note 32: Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Stamp, registration and trading expenses	2,568	1,726
Legal and Professional charges	1,905	2,472
Director's fees, allowances and expenses	77	70
Repairs and Maintenance	4,657	3,589
Rent, taxes and energy costs	1,368	1,100
Advertisement and publicity	226	2,702
Auditor's fees and expenses (Refer Note 47)	39	36
Insurance	59	39
Printing and stationery	171	192
Expenditure on Corporate Social Responsibility (Refer Note 40)	1,851	1,300
Communication Costs	3,525	3,241
Other expenditure	3,625	4,339
Total	20,071	20,806

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

33 Earning per share

A. Basic Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

	Particulars		31 March 2023	31 March 2022
a	Equity shares outstanding at the beginning of the year	Nos.	1,58,28,975	1,57,66,575
b	Add: Weighted average number of equity shares issued during the year	Nos.	25,558	28,184
c	Weighted average number of equity shares for basic earnings per share (a + b)	Nos.	1,58,54,533	1,57,94,759
d	Net profit after tax available for equity shareholders	₹ in lacs	77,722	98,434
e	Basic earnings per share of Rs. 10 each (c/d)	₹	490.22	623.21

B. Diluted Earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

	Particulars		31 March 2023	31 March 2022
a	Weighted average number of equity shares for basic earnings per share	Nos.	1,58,54,533	1,57,94,759
b	Add / (Less) : Impact of Diluted ESOPs	Nos.	12,248	36,355
c	Weighted average number of equity shares for diluted earnings per share (a + b)	Nos.	1,58,66,781	1,58,31,114
d	Net profit after tax available for equity shareholders	₹ in lacs	77,722	98,434
e	Diluted earnings per share of Rs. 10 each (c/d)	₹	489.84	621.78

34 Income Tax

A Amounts recognised in profit or loss

₹ in lacs

Particulars	As at 31 March 2023	As at 31 March 2022
Current Tax		
Current Period	26,334	33,165
Tax Relating to prior period	-	52
	<u>26,334</u>	<u>33,217</u>
Deferred Tax		
Attributable to –		
Origination and reversal of temporary differences	134	380
Reduction in tax rate	-	-
	<u>134</u>	<u>380</u>
Tax expense	26,468	33,597

B Income tax recognised in other comprehensive income

As at 31 March 2023

	Before tax	Tax (expense)	Net of tax
Remeasurements of defined benefit liability (asset)	(182)	46	(136)
Total	(182)	46	(136)

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

As at 31 March 2022

	Before tax	Tax (expense)	Net of tax
Remeasurements of defined benefit liability (asset)	(155)	39	(116)
Total	(155)	39	(116)

The tax impact for the below purpose has been arrived at by applying the tax rate 25.168% (previous years - 25.168%) being the prevailing tax rates for domestic companies under Income Tax Act, 1961.

C Reconciliation of effective tax rate

Particulars	(₹ in lacs)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before income tax	1,04,190	1,32,031
Tax using Company's domestic tax rate	26,223	33,230
Effect of		
Corporate social responsibility	1,851	326
Long Term Capital (Gain) / Loss	117	(89)
Provision for employee benefits	156	21
Provision for Tax Earlier Years	-	52
Provisions for Penalty	865	-
MTM (Gain) / Loss on Investments	(4,855)	-
Provision for Doubtful debts	2,098	-
Others (Net)	14	57
Total Tax Expense	26,468	33,597

Statutory tax rate is 25.168%. The effective income tax rate for 31 March 2023 is 25.40% (31 March 2022 is 25.45%)

D Recognised deferred tax assets and liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Temporary differences attributable to:		
Deferred tax liabilities		
Property, plant and equipment	280	226
Fair value of investments	1,912	690
Ind AS 116 Impact (Net)	-	199
Amortised Interest on G Sec	47	-
	2,240	1,115
Deferred tax assets		
Provision for employee benefits	302	263
Provision for Doubtful debts	869	345
Provision for Rates and Taxes	166	166
Provision for Contingencies	284	62
Ind AS 116 Impact (Net)	252	-
	1,873	835
Net deferred tax (asset) / liability recognised on the balance sheet	367	280

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

35 Proposed Dividend

The Board of Directors, in their meeting held on 14 April 2023 have proposed a final dividend of ₹ NIL per equity share (previous year ₹ NIL per equity share). The proposal is subject to the approval of shareholders at the Annual General Meeting.

36 Contingent liabilities and Pending capital commitments

Contingent liabilities		(₹ in lacs)	
Particulars	Note	31 March 2023	31 March 2022
Claims against the Company not acknowledged as debt	1	487	238
Income Tax, Service Tax and Stamp Duty demands	2	5,824	5,080
Bank Guarantee	4	69,400	54,400
Total		75,711	59,719

Note 1

The claims which are in dispute with the clients and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

Note 2

The statutory dues which are in dispute and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

Note 3

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

Note 4

Bank Guarantee are been taken from banks and kept with exchanges as a margin to meet the margin obligation.

Pending capital commitments

As at 31 March 2023 the Company has contracts remaining to be executed on capital account and not provided for. The estimated amount of contracts (net of advances) towards property, plant and equipment is ₹3,193 lacs (previous year - ₹3,729 lacs).

37 Foreign Currency Transaction

a) Expenditure in Foreign Currency (₹ in lacs)

Particulars	31 March 2023	31 March 2022
Straight Through Processing (STP) and Chat Integration	128	88
Total	128	88

b) Earnings in Foreign Currency (₹ in lacs)

Particulars	31 March 2023	31 March 2022
Referral fees for Global Investing	NIL	62
Research Information Services	17	105
Consideration from sale of unlisted shares - Qfix	NIL	38
Total	17	205

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

38 Employee benefits

A Defined Contribution Plan

The Company makes contributions towards National Pension Scheme, provident fund and family pension fund which are defined contribution retirement benefit plans for qualifying employees. The provident fund and family pension are administered by office of the Regional Provident Fund Commissioner.

A sum of ₹914 lacs (Previous Year ₹735 lacs) has been charged to the Statement of Profit and Loss towards National Pension fund and provident fund

The Employee State Insurance Scheme ("ESIC") is a contributory scheme providing medical, sickness, maternity, and disability benefits to the insured employees under the Employees State Insurance Act, 1948.

The charge to the Statement of Profit and Loss is ₹51 lacs (Previous Year ₹34 lacs), which is classified as a part of "Contributions to provident and other funds" [Refer Note No. 31]

B Defined Benefit Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, the employee who has completed five years of service is entitled to specific benefit.

The Company contributes funds to a post retirement defined benefit plan for gratuity, details of which are as follows:

1 Reconciliation of the net defined benefit (asset) liability (₹ in lacs)

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	1,325	1,055
Current Service Cost	192	138
Interest Cost	80	65
Actuarial Losses	175	162
Benefits paid	(135)	(95)
Balance at the end of the year	1,637	1,325

2 Reconciliation of the present value of plan assets (₹ in lacs)

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	1,091	970
Expected return on Plan Assets	59	66
Contributions	360	150
Benefits paid	(135)	(95)
Actuarial Gain / (Loss)	-	-
Balance at the end of the year	1,375	1,091

3 Amount to be recognised in Balance Sheet and movement in net liability (₹ in lacs)

Particulars	31 March 2023	31 March 2022
Present Value of Funded Obligation	1,637	1,325
Fair Value of Plan Assets	1,375	1,091
Net Liability Recognised in the Balance Sheet	262	234

Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

4 Expenses recognised in the Income Statement

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Current Service Cost	192	138
Past Service Cost		
Loss / (Gain) on settlement		
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	14	5
Net gratuity expenses recognized in the Statement of Profit and Loss	206	144

5 Remeasurements recognised in other comprehensive income

Particulars	31 March 2023	31 March 2022
Actuarial (gains) / losses		
- change in demographic assumptions	(34)	(73)
- change in financial assumptions	(46)	227
- experience variance (i.e. Actual experience vs assumptions)	256	6
Return on plan assets, excluding amount recognised in net interest expense	6	(5)
Total	182	155

6 Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	31 March 2023	31 March 2022
Funds managed by Insurer	100	100
Grand Total	100	100

7 Experience Adjustments

(₹ in lacs)

Particulars	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Defined Benefit Obligation	1,637	1,325	1,055	929	802
Fair value of Plan Assets	1,375	1,091	970	850	795
Surplus / (Deficit)	(262)	(234)	(85)	(79)	(7)

8 Summary of Actuarial Assumptions

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitments, size, funding requirements and expense.

Particulars	31 March 2023	31 March 2022
Discount Rate	7.20%	6.05%
Salary Escalation Rate	10.78%	10.02%
Mortality	Indian Assured Lives Mortality tables (2012-14)	Indian Assured Lives Mortality tables (2012-14)

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)**

9 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March 2023		31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	1,738	1,547	1,421	1,240
Salary Growth Rate (1% movement)	1,549	1,734	1,242	1,416
Attrition rate (50% movement)	1,881	1,521	1,559	1,212
Mortality Rate (10% movement)	1,638	1,637	1,326	1,325

(₹ in lacs)

10 Expected Contribution during the next annual reporting period

The Employer's best estimate of the contributions expected to be paid to the plan during the next year – ₹435 lacs (previous year – ₹399 lacs).

C Other long term employee benefits

A sum of ₹128 lacs (Previous Year ₹91 lacs) has been charged to the Statement of Profit and Loss towards Leave encashment [Refer Note No. 31]

39 Leases

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.

Company as a lessee

The Company's lease asset classes primarily consist of leases for premises and leasehold improvements. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than ₹1,50,000). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised ₹NIL towards short-term lease and ₹NIL towards low value assets during the year ended 31 March 2023. The Company has recognised ₹751 lacs towards the leases pertaining to the locations which are not separately identifiable units.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the Company. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments of ₹1577 lacs have been classified as financing cash flows.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. The Company has recognised ₹NIL towards income from sub-lease.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

The details of Right to use Asset of the Company are as follows:

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2023		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2022	6,147	-	6,147
Add: Additions during the period	606	-	606
Less: Deductions during the period	-	-	-
Less: Depreciation	(1,266)	-	(1,266)
Total	5,487	-	5,487

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2022		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2021	5,285	-	5,285
Add: Additions during the period	1,926	-	1,926
Less: Deductions during the period	-	-	-
Less: Depreciation	(1,064)	-	(1,064)
Total	6,147	-	6,147

Following is the movement in lease liabilities for the year:

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2023		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2022	6,936	-	6,936
Additions during the period	570	-	570
Deductions during the period	-	-	-
Interest Expense	562	-	562
Less: Lease Payments	(1,577)	-	(1,577)
Total	6,491	-	6,491

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2022		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2021	5,990	-	5,990
Additions during the period	1,833	-	1,833
Deductions during the period	-	-	-
Interest Expense	518	-	518
Less: Lease Payments	(1,405)	-	(1,405)
Total	6,936	-	6,936

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

Following is maturity analysis of contractual undiscounted cash flows

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Less than 1 year	1,878	1,815
One to five years	5,434	5,416
More than five years	1,148	1,553
Total	8,460	8,784

40 Corporate Social Responsibility (CSR)

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Amount required to be spent by the company during the year	1,851	1,300
Amount of expenditure incurred	1,851	1,300
Amount available for set off from preceding financial years	-	-
Amount required to be setoff for the financial year	-	-
Shortfall at the end of the year	-	-
Details of unspent CSR amount for the	-	-
Reason for shortfall	-	-
Nature of CSR activities		01 Education 02 Medical Assistance 03 Health & sanitation 04 Sports 05 Skill development
Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	-	-

41 Segment Reporting

The Company's business is to provide brokerage services to its clients in the capital markets within India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments as per the Ind AS on Operating Segment (Ind AS 108), specified under the Companies Act, 2013. The necessary information to report the revenues from the external customers for each product and service, or each group of similar products and service is not available and the cost to develop it would be excessive. Similarly, the geographical information related to the revenue from the external customers attributed to the entity's country of domicile and to all other foreign countries in total is not available and the cost to develop it would be excessive. No single customer accounts for the revenue, which is equal or more than ten percent of the total revenue of the entity, hence no such segment could be identified.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

42 Related Party Disclosures

A. Parent Company	HDFC Bank Limited
Investor exerting significant influence	HDFC Limited
B. List of Key Management Personnel (KMP):	
Bharat Shah	Non-executive Chairman (till 28 Feb 2022)
Dhiraj Relli	Managing Director
Ashish Rathi	Whole-Time Director
Abhay Aima	Non-executive Director (till 15 July 2021)
Amla Samanta	Non-executive Independent Director
Jagdish Capoor	Non-executive Director (till 13 January 2022)
Samir Bhatia	Non-executive Independent Director
Malay Patel	Non-executive Independent Director
Neeraj Swaroop	Non-executive Independent Director (w.e.f. 08 June 2022)
Tarun Balram	Non-executive Independent Director (w.e.f. 08 June 2022)
Arvind Vohra	Nominee Director (w.e.f. 09 January 2023)
Kunal Sanghavi	Chief Financial Officer
Mitul Palankar	Company Secretary
C. Post Employment Benefits Plan	Employees Group Gratuity cum Life Assurance Scheme
D. List of other related parties	
HDFC Asset Management Company Ltd	Subsidiary Company of Investor exerting significant influence
HDFC Credila Financial Services Pvt. Ltd.	Subsidiary Company of Investor exerting significant influence
HDFC Ergo General Insurance Co. Ltd.	Subsidiary Company of Investor exerting significant influence
HDFC Life Insurance Company Limited	Subsidiary Company of Investor exerting significant influence

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2023)**

List of KMP & Directors of Parent Company

Sashidhar Jagdishan	Managing Director and Chief Executive Officer
Kaizad Bharucha	Executive Director
Renu Sud Karnad	Additional Executive Director
Malay Patel	Independent Director
M. D. Ranganath	Independent Director
Umesh Chandra Sarangi	Independent Director
Srikanth Nadhamuni	Non-Executive Director (till 18 February 2022)
Sanjiv Sachar	Independent Director
Sandeep Parekh	Independent Director
Dr. (Ms.) Sunita Maheshwari	Additional Independent Director (w.e.f. 30 March 2021)
Atanu Chakraborty	Non-Executive Part Time Chairman and Independent Director (w.e.f 05 May 2021)
Lily Vadera	Additional Independent Director (w.e.f 26 November 2021)
Santosh Haldankar	Company Secretary
Srinivasan Vaidyanathan	Chief Financial Officer

Relatives of Key Managerial Personnel or Directors

Vidyut Samanta	Son of Amla Samanta
Archana Relli	Spouse of Dhiraj Relli
Aditya Samanta	Son of Amla Samanta
Anita Bharat Shah	Spouse of Bharat Shah
Vimal Relli	Brother of Dhiraj Relli
Lalita Rathi	Mother of Ashish Rathi
Dr. Arjun Kalyanpur	Spouse of Mrs. (Dr.) Sunita Maheshwari
Rupali Vohra	Spouse of Arvind Vohra
Ashim Samanta	Spouse of Amla Samanta
Prajwal Haldankar	Son of Santosh Haldankar
Kritya Relli	Daughter of Dhiraj Relli
Poonam Rathi	Spouse of Ashish Rathi
Sanjana Haldankar	Spouse of Santosh Haldankar
Bhakti Prakash Sarangi	Son of Umesh Chandra Sarangi
Selina Vohra	Daughter of Arvind Vohra
Mr. Ashok Sud	Brother of Renu Karnad

Entities in which Key Managerial Personnel are interested

Raab Investments Pvt. Ltd.

Abhay Aima is a director and Member

E. Fellow subsidiary

HDB Financials Services Limited

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

F. Transactions with related parties

₹ in lacs

I. Parent Company	HDFC Bank	
	31 March 2023	31 March 2022
<u>Transactions during the year :</u>		
Placement of fixed deposits	20,014	20,050
Redemption of fixed deposits	10,000	20,040
Franking Advance given	-	3
Rendering of services (including recoveries of expenses)	2,452	2,192
Receiving of services (including payment of expenses)	4,177	4,022
Interest received on Fixed Deposits	476	11
Interest paid	-	-
Dividend Paid	66,836	83,090
Purchase of Government Securities	57,889	-
<u>Balances Outstanding :</u>		
Receivables	99	59
Advances / (Payables)	0	9
Bank balances	29,173	81,692
Fixed deposits	10,061	47
Accrued interest on fixed deposit – receivable*	317	2
Accrued expenses	1,496	159
Advances	61	61
Deposit received	107	76
Deposit payable	80	61

₹ in lacs

II. Investor exerting significant influence	HDFC Limited	
	31 March 2023	31 March 2022
<u>Transactions during the year :</u>		
Rendering of services (Including recoveries of expenses)	389	257
Interest Received	-	20
Placement of Fixed Deposits	-	-
Redemption of Fixed Deposits	-	5,000
<u>Balances Outstanding :</u>		
Receivables*	12	(0)

₹ in lacs

III. Fellow subsidiary	HDB Financials	
	31 March 2023	31 March 2022
<u>Transactions during the year :</u>		
Rendering of services (Including recoveries of expenses)	-	-
Receiving of services (Including payment of expenses)	10	19
<u>Balances Outstanding :</u>		
Receivables	0	1
Accrued expenses	3	-

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

₹ in lacs

IV. Other Related Parties	31 March 2023	31 March 2022
<u>HDFC Asset Management Company Ltd</u>		
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	128	2
Balances Outstanding :		
Receivables	29	-
<u>HDFC Credila Financial Services Pvt. Ltd.</u>		
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	-	-
Balances Outstanding :		
Receivables	2	2
<u>HDFC Ergo General Insurance Co. Ltd.</u>		
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	22	19
Receiving of services (Including payment of expenses)	22	24
Balances Outstanding :		
Receivables*	3	0
Payables	(20)	(23)
Accrued Expenses	-	-
<u>HDFC Life Insurance Company Limited</u>		
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	7,113	4,794
Receiving of services (Including payment of expenses)	197	190
Balances Outstanding :		
Receivables	1,350	97
Payables	(26)	(18)
Accrued Expenses	113	-

* Less than ₹ 50,000 /-

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

₹ in lacs

KMP, Directors, Their Relatives and Entities in which KMP are interested		
	31 March 2023	31 March 2022
<u>Nature of Transaction</u>		
Rendering of services (including recoveries of expenses)	23	32
Receiving of services (including reimbursement)	13	39
Sitting Fees Paid	77	70
Managerial Remuneration & Perquisites Paid	648	3,066
Dividend Paid	162	198
ESOP - Number of options outstanding (nos)	49,850	29,050

Note:

1. The future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, accordingly the amount pertaining to KMP's is not ascertainable separately, and not included above.
2. Managerial remuneration includes ESOP exercise during the year, bonus on accrual basis.
3. The relatives having transactions during the year (and previous year) have been shown in the list above

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

43 Financial instruments

A. Financial instruments – Fair values

1. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

The carrying value and fair value of financial instruments by categories as of 31 March 2023 are as follows:

(₹ in lacs)

31 March 2023	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
<u>Financial assets measured at fair value</u>							
Investments	49,561	71,799	1,21,361	525	42,963	6,073	49,561
<u>Financial assets not measured at fair value</u>							
Cash and cash equivalents		39,210	39,210	-	-	-	-
Bank Balance other than above		3,11,740	3,11,740	-	-	-	-
Receivables				-	-	-	-
Trade Receivables		40,727	40,727	-	-	-	-
Loans		2,74,757	2,74,757	-	-	-	-
Other Financial Assets		13,191	13,191	-	-	-	-
Total	49,561	7,51,425	8,00,986	525	42,963	6,073	49,561
Financial liabilities							
<u>Financial liabilities not measured at fair value</u>							
Trade Payables		98,191	98,191	-	-	-	-
Borrowings		5,25,410	5,25,410	-	-	-	-
Lease Liability		6,491	6,491	-	-	-	-
Other financial liabilities		2,855	2,855	-	-	-	-
Total	-	6,32,946	6,32,946	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2022 are as follows:

(₹ in lacs)

31 March 2022	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
<u>Financial assets measured at fair value</u>							
Investments	24,377		24,377	1,196	21,216	1,965	24,377
<u>Financial assets not measured at fair value</u>							
Cash and cash equivalents		1,31,792	1,31,792	-	-	-	-
Bank Balance other than above		2,28,091	2,28,091	-	-	-	-
Receivables				-	-	-	-
Trade Receivables		50,586	50,586	-	-	-	-
Loans		3,28,348	3,28,348	-	-	-	-
Other Financial Assets		6,102	6,102	-	-	-	-
Total	24,377	7,44,919	7,69,296	1,196	21,216	1,965	24,377
Financial liabilities							
<u>Financial liabilities not measured at fair value</u>							
Trade Payables	-	1,42,068	1,42,068	-	-	-	-
Borrowings		4,61,914	4,61,914	-	-	-	-
Lease Liability		6,936	6,936	-	-	-	-
Other financial liabilities		469	469	-	-	-	-
Total	-	6,11,387	6,11,387	-	-	-	-

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

2. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether the price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on hierarchy of valuation techniques, as explained in the note 2.5.

Fair value of shares on Margin Pledge and Withhold (₹ in lacs)

Particulars	31 March 2023	31 March 2022
The fair value of shares on Margin Pledge and Withhold	6,86,200	4,50,344

Note: The above collaterals are held from the broking clients, for positions in equity & derivatives segments.

Transfers between Levels 1, 2 and 3

There were no transfers between level 1, 2 and 3.

3. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

B. Financial risk management

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

a. Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units & Government Securities, term deposits, trade receivables and security deposits.

Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors

Investments include investment in liquid mutual fund units that are marketable securities of eligible financial institutions for a specified time period with high credit rating given by domestic credit rating agencies.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

Expected Credit Loss (ECL):

For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered.

For arriving at the ECL, the Company follows ECL model as approved by board.

The movement in expected credit loss

(₹ in lacs)

Particulars	Carrying amount	Carrying amount
	31 March 2023	31 March 2022
Opening balance	1,600	1,010
Impairment loss recognised / (reversed)	2,098	590
Closing balance	3,698	1,600

Ageing of Margin Trading Funding and Trade Receivable as at 31 March 2023

(₹ in lacs)

Particulars	Carrying Amount	Less than 6 months	6 months-1year	1-2 years	2-3 years	more than 3years	total
Margin Trading Funding	2,74,757	2,15,999	52,624	6,134	-	-	2,74,757
i) Undisputed -Trade Receivables - considered good	40,727	40,727	-	-	-	-	40,727
ii) Undisputed -Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed -Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed -Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed -Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed -Trade Receivables -credit Impaired	-	-	-	-	-	-	-

Note: More than 90 days or disputed amount has been considered as provision for doubtful debts

Notes forming part of the Financial Statements

(For the year ended 31 March 2023)

Ageing of Margin Trading Funding and Trade Receivable as at 31 March 2022

(₹ in lacs)

Particulars	Carrying Amount	Less than 6 months	6 months-1year	1-2 years	2-3 years	more than 3years	total
Margin Trading Funding	3,28,348	2,60,545	67,803	-	-	-	3,28,348
i) Undisputed -Trade Receivables - considered good	50,586	50,586	-	-	-	-	50,586
ii) Undisputed -Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed -Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed -Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed -Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed -Trade Receivables -credit impaired	-	-	-	-	-	-	-

Note: More than 90 days or disputed amount has been considered as provision for doubtful debts

b. Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The following are the remaining contractual maturities of financial liabilities as on 31 March 2023

Financial Liabilities

(₹ in lacs)

Particulars	Carrying Amount	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
total outstanding dues of micro enterprises and small enterprises	20	20	-	-	-	20
Payable to Exchanges	-	-	-	-	-	-
Payable to Clients	98,095	98,095	-	-	-	98,095
Other trade payables	76	76	-	-	-	76
Borrowings	5,25,410	5,25,410	-	-	-	5,25,410
Lease Liabilities	6,491	98	131	138	6,123	6,490
Other financial liabilities	2,855	2,766	89	-	-	2,855
Total	6,32,946	6,26,465	220	138	6,123	6,32,946

Details of Commercial Papers matured during the year ended 31 March 2023

(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
IL&FS MF \ HSL\CP\21-22\065	INE700G14926	05-Oct-21	26-Apr-22	2,420	4.35%	203	26-Apr-22
IL&FS MF \ HSL\CP\21-22\066	INE700G14926	05-Oct-21	26-Apr-22	2,290	4.35%	203	26-Apr-22
IL&FS MF \ HSL\CP\21-22\067	INE700G14926	05-Oct-21	26-Apr-22	2,790	4.35%	203	26-Apr-22
IL&FS MF \ HSL\CP\21-22\068	INE700G14926	05-Oct-21	26-Apr-22	560	4.35%	203	26-Apr-22

IL&FS MF \ HSLICPI21-22\069	INE700G14926	05-Oct-21	26-Apr-22	1,540	4.35%	203	26-Apr-22
IL&FS MF \ HSLICPI21-22\070	INE700G14926	05-Oct-21	26-Apr-22	400	4.35%	203	26-Apr-22
IL&FS MF \ HSLICPI21-22\080	INE700G14AA7	22-Oct-21	21-Apr-22	1,650	4.50%	181	21-Apr-22
IL&FS MF \ HSLICPI21-22\081	INE700G14AA7	22-Oct-21	21-Apr-22	360	4.50%	181	21-Apr-22
IL&FS MF \ HSLICPI21-22\082	INE700G14AA7	22-Oct-21	21-Apr-22	430	4.50%	181	21-Apr-22
IL&FS MF \ HSLICPI21-22\083	INE700G14AA7	22-Oct-21	21-Apr-22	810	4.50%	181	21-Apr-22
IL&FS MF \ HSLICPI21-22\084	INE700G14AA7	22-Oct-21	21-Apr-22	820	4.50%	181	21-Apr-22
IL&FS MF \ HSLICPI21-22\085	INE700G14AA7	22-Oct-21	21-Apr-22	930	4.50%	181	21-Apr-22
DSP MF \ HSLICPI21-22\113	INE700G14AR1	27-Dec-21	27-May-22	10,000	4.82%	151	27-May-22
UTI MF \ HSLICPI21-22\116	INE700G14AS9	07-Jan-22	10-Jun-22	10,000	4.75%	154	10-Jun-22
Aditya Birla MF \ HSLICPI21-22\117	INE700G14AS9	07-Jan-22	10-Jun-22	10,000	4.75%	154	10-Jun-22
Tata MF \ HSLICPI21-22\118	INE700G14AS9	07-Jan-22	10-Jun-22	5,000	4.75%	154	10-Jun-22
Axis MF \ HSLICPI21-22\119	INE700G14AT7	11-Jan-22	05-Apr-22	15,000	4.18%	84	05-Apr-22
ICICI Prudential MF \ HSLICPI21-22\120	INE700G14AU5	20-Jan-22	20-Apr-22	20,000	4.13%	90	20-Apr-22
DSP MF \ HSLICPI21-22\121	INE700G14AU5	20-Jan-22	20-Apr-22	20,000	4.13%	90	20-Apr-22
Kotak Mahindra \ HSLICPI21-22\122	INE700G14AV3	24-Jan-22	25-Apr-22	25,000	4.15%	91	25-Apr-22
UTI MF \ HSLICPI21-22\123	INE700G14AW1	27-Jan-22	15-Jul-22	5,000	4.74%	169	15-Jul-22
Kotak Mahindra MF \ HSLICPI21-22\124	INE700G14AW1	27-Jan-22	15-Jul-22	10,000	4.74%	169	15-Jul-22
EDELWISS MF \ HSLICPI21-22\125	INE700G14AX9	28-Jan-22	28-Apr-22	2,500	4.26%	90	28-Apr-22
LARSEN & TOUBRO LTD \ HSLICPI21-22\128	INE700G14AZ4	03-Feb-22	02-Feb-23	10,000	5.30%	364	02-Feb-23
IDFC MF \ HSLICPI21-22\129	INE700G14BA5	03-Feb-22	29-Apr-22	10,000	4.44%	85	29-Apr-22
L&T Technology Services Ltd \ HSLICPI21-22\130	INE700G14BB3	03-Feb-22	05-May-22	5,000	4.44%	91	05-May-22
SBI MF \ HSLICPI21-22\131	INE700G14AX9	08-Feb-22	28-Apr-22	20,000	4.63%	79	28-Apr-22
Nippon MF \ HSLICPI21-22\132	INE700G14BC1	09-Feb-22	10-May-22	25,000	4.60%	90	10-May-22
MIRAE MF \ HSLICPI21-22\133	INE700G14BD9	15-Feb-22	17-May-22	5,000	4.34%	91	17-May-22
IDFC MF \ HSLICPI21-22\134	INE700G14BD9	15-Feb-22	17-May-22	10,000	4.34%	91	17-May-22
Baroda MF \ HSLICPI21-22\135	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91	24-May-22
Invesco MF \ HSLICPI21-22\136	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91	24-May-22
ICICI Prudential MF \ HSLICPI21-22\137	INE700G14BE7	22-Feb-22	24-May-22	7,500	4.29%	91	24-May-22
IDFC MF \ HSLICPI21-22\138	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91	24-May-22
ICICI Prudential MF \ HSLICPI21-22\139	INE700G14BE7	22-Feb-22	24-May-22	7,500	4.29%	91	24-May-22
L&T MF \ HSLICPI21-22\140	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91	24-May-22
HSBC MF \ ICP\21-22\141	INE700G14BE7	23-Feb-22	24-May-22	12,500	4.29%	90	24-May-22

Notes forming part of the Financial Statements

(For the year ended 31 March 2023)

Kotak MF\HSL\CP\21-22\142	INE700G14BF4	25-Feb-22	26-May-22	15,000	4.39%	90	26-May-22
Baroda MF \HSL\CP\21-22\143	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85	26-May-22
UTI MF\HSL\CP\21-22\144	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85	26-May-22
UTI MF\HSL\CP\21-22\145	INE700G14BG2	03-Mar-22	31-May-22	15,000	4.39%	89	31-May-22
UTI MF\HSL\CP\21-22\146	INE700G14BH0	07-Mar-22	06-Jun-22	15,000	4.45%	91	06-Jun-22
ICICI Prudential MF\HSL\CP\21-22\147	INE700G14BH0	07-Mar-22	06-Jun-22	7,500	4.45%	91	06-Jun-22
Aditya Birla MF\HSL\CP\21-22\148	INE700G14BJ6	11-Mar-22	07-Jun-22	15,000	4.50%	88	07-Jun-22
Aditya Birla MF\HSL\CP\21-22\149	INE700G14AS9	14-Mar-22	10-Jun-22	10,000	4.50%	88	10-Jun-22
UTI MF\HSL\CP\21-22\150	INE700G14AS9	14-Mar-22	10-Jun-22	10,000	4.50%	88	10-Jun-22
SBI MF\HSL\CP\21-22\151	INE700G14BI8	16-Mar-22	14-Jun-22	30,000	4.50%	90	14-Jun-22
ICICI Prudential MF\HSL\CP\21-22\152	INE700G14BI8	16-Mar-22	14-Jun-22	7,500	4.50%	90	14-Jun-22
UTI MF\HSL\CP\21-22\153	INE700G14BK4	21-Mar-22	20-Jun-22	20,000	4.47%	91	20-Jun-22
L&T MT \HSL\CP\22-23\001	INE700G14BL2	11-Apr-22	13-Jun-22	12,500	4.10%	63	13-Jun-22
Aditya Birla MF\HSL\CP\22-23\002	INE700G14BO6	13-Apr-22	01-Jul-22	10,000	4.37%	79	01-Jul-22
Aditya Birla MF\HSL\CP\22-23\003	INE700G14BO6	13-Apr-22	01-Jul-22	10,000	4.37%	79	01-Jul-22
Nippon MF \HSL\CP\22-23\004	INE700G14BN8	13-Apr-22	13-Jul-22	10,000	4.40%	91	13-Jul-22

Notes forming part of the Financial Statements

(For the year ended 31 March 2023)

Nippon MF \HSL\CP\22-23\005	INE700G14BM0	18-Apr-22	18-Jul-22	15,000	4.40%	91	18-Jul-22
Edelweiss MF \HSL\CP\22-23\006	INE700G14BP3	22-Apr-22	22-Jul-22	5,000	4.39%	91	22-Jul-22
LIC MF\HSL\CP\22-23\007	INE700G14BP3	22-Apr-22	22-Jul-22	5,000	4.39%	91	22-Jul-22
LIC MF\HSL\CP\22-23\008	INE700G14BP3	22-Apr-22	22-Jul-22	2,500	4.39%	91	22-Jul-22
LIC MF\HSL\CP\22-23\009	INE700G14BP3	22-Apr-22	22-Jul-22	5,000	4.39%	91	22-Jul-22
LIC MF\HSL\CP\22-23\010	INE700G14BP3	22-Apr-22	22-Jul-22	2,500	4.39%	91	22-Jul-22
Kotak MF\HSL\CP\22-23\011	INE700G14BQ1	25-Apr-22	25-Jul-22	20,000	4.39%	91	25-Jul-22
Franklin MF\HSL\CP\22-23\012	INE700G14BQ1	25-Apr-22	25-Jul-22	5,000	4.39%	91	25-Jul-22
MAHINDRA MF \HSL\CP\22-23\013	INE700G14BR9	27-Apr-22	27-Jul-22	2,500	4.42%	91	27-Jul-22
Franklin MF\HSL\CP\22-23\014	INE700G14BR9	27-Apr-22	27-Jul-22	5,000	4.42%	91	27-Jul-22
Axis MF \HSL\CP\22-23\015	INE700G14BS7	28-Apr-22	11-Jul-22	25,000	4.45%	74	11-Jul-22
L&T Technology Services Ltd\CP-HSL\CP\22-23\017	INE700G14BT5	29-Apr-22	29-Jul-22	5,000	4.47%	91	29-Jul-22
Kotak Mahindra MF\HSL\CP\22-23\018	INE700G14BT5	29-Apr-22	29-Jul-22	5,000	4.47%	91	29-Jul-22
UTI MF\HSL\CP\22-23\019	INE700G14BT5	29-Apr-22	29-Jul-22	10,000	4.47%	91	29-Jul-22
L&T MT \HSL\CP\22-23\020	INE700G14BT5	29-Apr-22	29-Jul-22	2,500	4.47%	91	29-Jul-22
IDFC MF\CP-HSL\CP\22-23\016	INE700G14BU3	29-Apr-22	26-Jul-22	10,000	4.47%	88	26-Jul-22
Invesco MF \HSL\CP\22-23\021	INE700G14BV1	06-May-22	04-Aug-22	5,000	4.49%	90	04-Aug-22
Nippon MF \HSL\CP\22-23\022	INE700G14BW9	09-May-22	08-Jun-22	10,000	4.95%	30	08-Jun-22
LIC MF\HSL\CP\22-23\023	INE700G14BW9	09-May-22	08-Jun-22	10,000	4.95%	30	08-Jun-22
ICICI Prudential MF\HSL\CP\22-23\024	INE700G14BX7	13-May-22	10-Aug-22	20,000	5.50%	89	10-Aug-22
L&T Technology Services Ltd\CP-HSL\CP\22-23\025	INE700G14BY5	17-May-22	12-Aug-22	5,000	5.48%	87	12-Aug-22
Aditya Birla MF\HSL\CP\22-23\026	INE700G14BZ2	20-May-22	19-Aug-22	20,000	5.57%	91	19-Aug-22
Aditya Birla MF\HSL\CP\22-23\027	INE700G14BZ2	23-May-22	19-Aug-22	10,000	5.57%	88	19-Aug-22
L&T MT \HSL\CP\22-23\028	INE700G14CA3	24-May-22	23-Aug-22	10,000	5.54%	91	23-Aug-22
Aditya Birla MF\HSL\CP\22-23\029	INE700G14CA3	24-May-22	23-Aug-22	10,000	5.54%	91	23-Aug-22
HSBC MF \HSL\CP\22-23\030	INE700G14CC9	26-May-22	25-Aug-22	15,000	5.54%	91	25-Aug-22
Kotak Mahindra MF\HSL\CP\22-23\031	INE700G14CC9	26-May-22	25-Aug-22	15,000	5.54%	91	25-Aug-22
Mirae Asset Mutual Fund -CP-HSL\CP\22-23\032	INE700G14CB1	27-May-22	26-Aug-22	5,000	5.54%	91	26-Aug-22
Aditya Birla MF\HSL\CP\22-23\033	INE700G14CB1	27-May-22	26-Aug-22	10,000	5.54%	91	26-Aug-22
Axis MF \HSL\CP\22-23\034	INE700G14CB1	30-May-22	26-Aug-22	20,000	5.47%	88	26-Aug-22

HDFC Securities Limited

Notes forming part of the Financial Statements

(For the year ended 31 March 2023)

UTI MF-CP-HSL\CP\22-23\035	INE700G14CD7	06-Jun-22	02-Sep-22	20,000	5.48%	88	02-Sep-22
UTI MF-CP-HSL\CP\22-23\036	INE700G14CF2	06-Jun-22	05-Sep-22	10,000	5.48%	91	05-Sep-22
DSP MF\HSL\CP\22-23\037	INE700G14CE5	07-Jun-22	06-Sep-22	10,000	5.47%	91	06-Sep-22
ICICI MF\HSL\CP\22-23\038	INE700G14CE5	07-Jun-22	06-Sep-22	10,000	5.47%	91	06-Sep-22
IDFC MF\HSL\CP\22-23\039	INE700G14CG0	10-Jun-22	09-Sep-22	7,500	5.37%	91	09-Sep-22
NIPPON MF\HSL\CP\22-23\040	INE700G14CG0	10-Jun-22	09-Sep-22	10,000	5.37%	91	09-Sep-22
LIC MF\HSL\CP\22-23\041	INE700G14CG0	10-Jun-22	09-Sep-22	5,000	5.37%	91	09-Sep-22
L&T MF\HSL\CP\22-23\042	INE700G14CH8	13-Jun-22	12-Sep-22	10,000	5.37%	91	12-Sep-22
NIPPON MF\HSL\CP\22-23\043	INE700G14BY5	13-Jun-22	12-Aug-22	20,000	5.30%	60	12-Aug-22
L&T INFOTECH LIMITED\HSL\CP\22-23\044	INE700G14CI6	20-Jun-22	19-Sep-22	2,500	5.59%	91	19-Sep-22
LIC MF\HSL\CP\22-23\045	INE700G14CI6	20-Jun-22	19-Sep-22	10,000	5.59%	91	19-Sep-22
Kotak Mahindra MF\HSL\CP\22-23\046	INE700G14CJ4	12-Jul-22	28-Sep-22	5,000	5.48%	78	28-Sep-22
Kotak Mahindra MF\HSL\CP\22-23\047	INE700G14CJ4	15-Jul-22	28-Sep-22	5,000	5.48%	75	28-Sep-22
L&T MF \HSL\CP\22-23\048	INE700G14CK2	22-Jul-22	21-Oct-22	2,500	5.74%	91	21-Oct-22
Mirae Asset Mutual Fund -CP-HSL\CP\22-23\049	INE700G14CK2	22-Jul-22	21-Oct-22	2,500	5.74%	91	21-Oct-22
L&T MF \HSL\CP\22-23\050	INE700G14CL0	22-Jul-22	13-Sep-22	7,500	5.50%	53	13-Sep-22
LARSEN & TOUBRO INFOTECH Ltd\HSL\CP\22-23\051	INE700G14CK2	22-Jul-22	21-Oct-22	2,500	5.90%	91	21-Oct-22
Baroda MF \HSL\CP\22-23\052	INE700G14CK2	22-Jul-22	21-Oct-22	15,000	5.90%	91	21-Oct-22
Canara Robeco Mutual Fund\HSL\CP\22-23\053	INE700G14CJ4	22-Jul-22	28-Sep-22	5,000	5.68%	68	28-Sep-22
Aditya Birla MF\HSL\CP\22-23\054	INE700G14CM8	25-Jul-22	19-Oct-22	1,100	5.90%	86	19-Oct-22
Aditya Birla MF\HSL\CP\22-23\055	INE700G14CM8	25-Jul-22	19-Oct-22	1,400	5.90%	86	19-Oct-22
DSP MF \HSL\CP\22-23\056	INE700G14CK2	25-Jul-22	21-Oct-22	10,000	5.90%	88	21-Oct-22
Franklin MF\HSL\CP\22-23\057	INE700G14CI6	26-Jul-22	19-Sep-22	3,500	5.68%	55	19-Sep-22
KRBL LTD\HSL\CP\22-23\058	INE700G14CO4	26-Jul-22	13-Oct-22	5,000	5.79%	79	13-Oct-22
L&T Technology Services Ltd\CP-HSL\CP\22-23\059	INE700G14CN6	26-Jul-22	28-Oct-22	5,000	5.90%	94	28-Oct-22
Kotak Mahindra MF\HSL\CP\22-23\060	INE700G14CP1	27-Jul-22	10-Oct-22	20,000	5.93%	75	10-Oct-22
Nippon MF\HSL\CP\22-23\061	INE700G14CQ9	29-Jul-22	07-Oct-22	30,000	5.93%	70	07-Oct-22
L&T Technology Services Ltd\CP\HSL\CP\22-23\062	INE700G14CR7	12-Aug-22	11-Nov-22	5,000	6.19%	91	11-Nov-22
LARSEN & TOUBRO INFOTECH Ltd\HSL\CP\22-23\063	INE700G14CR7	12-Aug-22	11-Nov-22	2,500	6.19%	91	11-Nov-22
Mahindra MF\HSL\CP\22-23\064	INE700G14CR7	12-Aug-22	11-Nov-22	2,500	6.19%	91	11-Nov-22

Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

Franklin MF\HSL\CP\22-23\065	INE700G14CR7	12-Aug-22	11-Nov-22	3,500	6.19%	91	11-Nov-22
Invesco MF \HSL\CP\22-23\066	INE700G14CR7	12-Aug-22	11-Nov-22	7,500	6.19%	91	11-Nov-22
KRBL LTD\HSL\CP\22-23\067	INE700G14CR7	12-Aug-22	11-Nov-22	4,000	6.17%	91	11-Nov-22
Aditya Birla MF\HSL\CP\22-23\068	INE700G14CT3	17-Aug-22	16-Nov-22	15,000	6.19%	91	16-Nov-22
Invesco Mutual Fund\HSL\CP\22-23\069	INE700G14CS5	18-Aug-22	17-Nov-22	5,000	6.19%	91	17-Nov-22
IDFC CASH FUND\HSL\CP\22-23\070	INE700G14CS5	18-Aug-22	17-Nov-22	5,000	6.19%	91	17-Nov-22
ICICI Prudential MF\HSL\CP\22-23\071	INE700G14CV9	22-Aug-22	07-Nov-22	20,000	6.17%	77	07-Nov-22
IDFC CASH FUND\HSL\CP\22-23\072	INE700G14CV9	22-Aug-22	07-Nov-22	15,000	6.17%	77	07-Nov-22
Mirae Asset Mutual Fund \CP\HSL\CP\22-23\073	INE700G14CV9	22-Aug-22	07-Nov-22	5,000	6.17%	77	07-Nov-22
ICICI Prudential MF\HSL\CP\22-23\074	INE700G14CU1	25-Aug-22	18-Nov-22	15,000	6.17%	85	18-Nov-22
Kotak Mahindra MF\HSL\CP\22-23\075	INE700G14CU1	25-Aug-22	18-Nov-22	15,000	6.17%	85	18-Nov-22
KRBL LTD\HSL\CP\22-23\076	INE700G14CX5	26-Aug-22	25-Nov-22	4,000	6.17%	91	25-Nov-22
Aditya Birla MF\HSL\CP\22-23\077	INE700G14CX5	26-Aug-22	25-Nov-22	10,000	6.17%	91	25-Nov-22
ICICI Prudential MF\HSL\CP\22-23\078	INE700G14CO4	26-Aug-22	13-Oct-22	15,000	6.04%	48	13-Oct-22
HSBC MF \HSL\CP\22-23\079	INE700G14CW7	26-Aug-22	22-Nov-22	15,000	6.17%	88	22-Nov-22
Nippon MF\HSL\CP\22-23\080	INE700G14DA1	05-Sep-22	30-Nov-22	30,000	6.30%	86	30-Nov-22
DSP MF \HSL\CP\22-23\081	INE700G14CY3	05-Sep-22	02-Dec-22	10,000	6.31%	88	02-Dec-22
UTI MF\HSL\CP\22-23\082	INE700G14CY3	05-Sep-22	02-Dec-22	10,000	6.31%	88	02-Dec-22
Invesco MF \HSL\CP\22-23\083	INE700G14CZ0	06-Sep-22	05-Dec-22	5,000	6.31%	90	05-Dec-22
Mirae Asset Mutual Fund \HSL\CP\22-23\084	INE700G14CZ0	06-Sep-22	05-Dec-22	5,000	6.31%	90	05-Dec-22
L&T MF \HSL\CP\22-23\085	INE700G14DB9	09-Sep-22	31-Oct-22	12,500	6.10%	52	31-Oct-22
Aditya Birla MF\HSL\CP\22-23\086	INE700G14DD5	12-Sep-22	12-Dec-22	40,000	6.24%	91	12-Dec-22
L&T MF \HSL\CP\22-23\087	INE700G14DB9	13-Sep-22	31-Oct-22	7,500	6.10%	48	31-Oct-22
Aditya Birla MF\HSL\CP\22-23\088	INE700G14DC7	13-Sep-22	13-Dec-22	10,000	6.24%	91	13-Dec-22
SBI MF\HSL\CP\22-23\089	INE700G14DD5	19-Sep-22	12-Dec-22	30,000	6.40%	84	12-Dec-22
Canara Robeco MF\HSL\CP\22-23\090	INE700G14DF0	04-Oct-22	26-Dec-22	7,500	6.68%	83	26-Dec-22
Kotak Mahindra MF\HSL\CP\22-23\091	INE700G14DF0	06-Oct-22	26-Dec-22	15,000	6.68%	81	26-Dec-22
Aditya Birla MF\HSL\CP\22-23\092	INE700G14DE3	07-Oct-22	16-Dec-22	10,000	6.65%	70	16-Dec-22
Nippon MF\HSL\CP\22-23\093	INE700G14DG8	19-Oct-22	18-Jan-23	10,000	7.17%	91	18-Jan-23
IDFC FUND\HSL\CP\22-23\094	INE700G14DG8	19-Oct-22	18-Jan-23	10,000	7.17%	91	18-Jan-23

DSP MF \ HSL\CP\22-23\095	INE700G14DH6	21-Oct-22	20-Jan-23	10,000	7.17%	91	20-Jan-23
Mirae Asset Mutual Fund \CP- HSL\CP\22-23\096	INE700G14DH6	21-Oct-22	20-Jan-23	5,000	7.17%	91	20-Jan-23
L&T Technology Services Ltd\CP\HSL\CP\22-23\097	INE700G14DI4	25-Oct-22	05-Jan-23	5,000	7.10%	72	05-Jan-23
Baroda MF\HSL\CP\22-23\098	INE700G14DF0	25-Oct-22	26-Dec-22	15,000	6.90%	62	26-Dec-22
Aditya Birla MF\HSL\CP\22-23\099	INE700G14DH6	04-Nov-22	20-Jan-23	9,000	7.30%	77	20-Jan-23
TATA MF\HSL\CP\22-23\100	INE700G14DJ2	04-Nov-22	23-Jan-23	5,000	7.30%	80	23-Jan-23
Kotak Mahindra MF\HSL\CP\22-23\101	INE700G14DK0	07-Nov-22	06-Feb-23	10,000	7.35%	91	06-Feb-23
Larsen and Toubro Infotech Ltd\HSL\CP\22-23\102	INE700G14DK0	07-Nov-22	06-Feb-23	2,500	7.35%	91	06-Feb-23
L&T Technology Service Ltd\HSL\CP\22-23\103	INE700G14DK0	07-Nov-22	06-Feb-23	5,000	7.35%	91	06-Feb-23
LIC MF\HSL\CP\22-23\104	INE700G14DK0	07-Nov-22	06-Feb-23	7,500	7.35%	91	06-Feb-23
IDFC MF\HSL\CP\22-23\105	INE700G14DL8	11-Nov-22	30-Jan-23	5,000	7.30%	80	30-Jan-23
Kotak MF\HSL\CP\22-23\106	INE700G14DL8	11-Nov-22	30-Jan-23	10,000	7.30%	80	30-Jan-23
Mirae Asset MF\HSL\CP\22-23\107	INE700G14DL8	11-Nov-22	30-Jan-23	5,000	7.30%	80	30-Jan-23
IDFC MF\HSL\CP\22-23\108	INE700G14DL8	11-Nov-22	30-Jan-23	5,000	7.30%	80	30-Jan-23
ICICI Prudential MF\HSL\CP\22-23\109	INE700G14DM6	14-Nov-22	31-Jan-23	25,000	7.25%	78	31-Jan-23
IDFC MF\HSL\CP\22-23\110	INE700G14DM6	14-Nov-22	31-Jan-23	5,000	7.23%	78	31-Jan-23
ADITYA BIRLA MF\HSL\CP\22-23\111	INE700G14DN4	16-Nov-22	07-Feb-23	1,000	7.24%	83	07-Feb-23
ADITYA BIRLA MF\HSL\CP\22-23\112	INE700G14DN4	16-Nov-22	07-Feb-23	1,500	7.24%	83	07-Feb-23
MAHINDRA & MAHINDRA FINANCIAL SERI\HSL\CP\22-23\113	INE700G14DN4	16-Nov-22	07-Feb-23	20,000	7.24%	83	07-Feb-23
HSBC MF\HSL\CP\22-23\115	INE700G14DO2	22-Nov-22	17-Feb-23	15,000	7.21%	87	17-Feb-23
L&T MF\HSL\CP\22-23\114	INE700G14DO2	18-Nov-22	17-Feb-23	15,000	7.24%	91	17-Feb-23
Axis MF\HSL\CP\22-23\116	INE700G14DP9	25-Nov-22	10-Jan-23	15,000	7.10%	46	10-Jan-23
ICICI Prudential MF\HSL\CP\22-23\117	INE700G14DQ7	30-Nov-22	16-Jan-23	10,000	7.09%	47	16-Jan-23
ICICI Prudential MF\HSL\CP\22-23\118	INE700G14DQ7	30-Nov-22	16-Jan-23	10,000	7.09%	47	16-Jan-23
Kotak Mahindra MF\HSL\CP\22-23\119	INE700G14DR5	30-Nov-22	20-Feb-23	10,000	7.22%	82	20-Feb-23
Nippon MF\HSL\CP\22-23\120	INE700G14DS3	02-Dec-22	24-Feb-23	10,000	7.22%	84	24-Feb-23
Nippon MF\HSL\CP\22-23\121	INE700G14DT1	02-Dec-22	27-Feb-23	10,000	7.22%	87	27-Feb-23
Kotak Mahindra MF\HSL\CP\22-23\122	INE700G14DT1	02-Dec-22	27-Feb-23	5,000	7.22%	87	27-Feb-23
Mirae MF\HSL\CP\22-23\123	INE700G14DT1	02-Dec-22	27-Feb-23	5,000	7.22%	87	27-Feb-23
ICICI Prudential MF\HSL\CP\22-23\124	INE700G14DU9	09-Dec-22	28-Feb-23	15,000	7.15%	81	28-Feb-23

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

ICICI Prudential MFHSLICPI22-23\125	INE700G14DU9	09-Dec-22	28-Feb-23	15,000	7.15%	81	28-Feb-23
PGIM India MFHSLICPI22-23\126	INE700G14DV7	09-Dec-22	09-Mar-23	2,500	7.15%	90	09-Mar-23
Invesco MFHSLICPI22-23\127	INE700G14DV7	09-Dec-22	09-Mar-23	10,000	7.15%	90	09-Mar-23
HSBC MFHSLICPI22-23\128	INE700G14DW5	12-Dec-22	10-Mar-23	5,000	7.20%	88	10-Mar-23
Aditya Birla MFHSLICPI22-23\129	INE700G14DW5	12-Dec-22	10-Mar-23	5,000	7.20%	88	10-Mar-23
Aditya Birla MFHSLICPI22-23\130	INE700G14DX3	12-Dec-22	13-Feb-23	20,000	7.15%	63	13-Feb-23
Indiabulls MFHSLICPI22-23\131	INE700G14DW5	13-Dec-22	10-Mar-23	2,500	7.20%	87	10-Mar-23
Franklin MFHSLICPI22-23\132	INE700G14DY1	14-Dec-22	13-Mar-23	4,000	7.18%	89	13-Mar-23
HSBC MFHSLICPI22-23\133	INE700G14DY1	14-Dec-22	13-Mar-23	20,000	7.18%	89	13-Mar-23
ICICI Prudential MFHSLICPI22-23\134	INE700G14DY1	16-Dec-22	13-Mar-23	600	7.18%	87	13-Mar-23
PGIM India MFHSLICPI22-23\135	INE700G14DZ8	20-Dec-22	20-Mar-23	350	7.18%	90	20-Mar-23
PGIM India MFHSLICPI22-23\136	INE700G14DZ8	20-Dec-22	20-Mar-23	150	7.18%	90	20-Mar-23
Mirae MFHSLICPI22-23\137	INE700G14EA9	22-Dec-22	15-Mar-23	5,000	7.18%	83	15-Mar-23
Axis MFHSLICPI22-23\138	INE700G14EB7	23-Dec-22	24-Mar-23	20,000	7.22%	91	24-Mar-23
ICICI Prudential MFHSLICPI22-23\139	INE700G14EB7	23-Dec-22	24-Mar-23	15,000	7.21%	91	24-Mar-23
Tata MFHSLICPI22-23\140	INE700G14EB7	23-Dec-22	24-Mar-23	10,000	7.21%	91	24-Mar-23
Axis MFHSLICPI22-23\141	INE700G14EC5	26-Dec-22	27-Mar-23	15,000	7.21%	91	27-Mar-23
UTI MFHSLICPI22-23\142	INE700G14EC5	26-Dec-22	27-Mar-23	10,000	7.21%	91	27-Mar-23
UTI MFHSLICPI22-23\143	INE700G14EC5	26-Dec-22	27-Mar-23	10,000	7.21%	91	27-Mar-23
Nippon India MFHSLICPI22-23\144	INE700G14EA9	26-Dec-22	15-Mar-23	20,000	7.18%	79	15-Mar-23
Aditya Birla MFHSLICPI22-23\148	INE700G14DV7	16-Jan-23	09-Mar-23	20,000	6.78%	52	09-Mar-23

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

Details of Commercial Papers as at 31 March 2023

(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days
Invesco MF\HSL\CP\22-23\145	INE700G14ED3	03-Jan-23	03-Apr-23	10,000	7.35%	90
Mirae Asset MF\HSL\CP\22-23\146	INE700G14ED3	03-Jan-23	03-Apr-23	5,000	7.35%	90
EDELWISS MF\HSL\CP\22-23\147	INE700G14EE1	12-Jan-23	10-Apr-23	5,000	7.30%	88
LIC MF\HSL\CP\22-23\149	INE700G14EF8	16-Jan-23	17-Apr-23	15,000	7.43%	91
IDFC MF\HSL\CP\22-23\150	INE700G14EG6	18-Jan-23	19-Apr-23	10,000	7.43%	91
DSP MF\HSL\CP\22-23\151	INE700G14EG6	18-Jan-23	19-Apr-23	5,000	7.43%	91
DSP MF\HSL\CP\22-23\152	INE700G14EG6	18-Jan-23	19-Apr-23	5,000	7.43%	91
SBI MF\HSL\CP\22-23\153	INE700G14EH4	20-Jan-23	21-Apr-23	25,000	7.64%	91
IDFC MF\HSL\CP\22-23\154	INE700G14EI2	30-Jan-23	28-Apr-23	10,000	7.55%	88
IDFC MF\HSL\CP\22-23\155	INE700G14EI2	31-Jan-23	28-Apr-23	5,000	7.55%	87
Mirae Asset MF\HSL\CP\22-23\156	INE700G14EI2	31-Jan-23	28-Apr-23	5,000	7.55%	87
SBI MF\HSL\CP\22-23\157	INE700G14EJ0	31-Jan-23	02-May-23	30,000	7.63%	91
ICICI PRUDENTIAL LIQUID FUND\HSL\CP\22-23\158	INE700G14EK8	06-Feb-23	08-May-23	20,000	7.60%	91
Kotak Liquid Fund\HSL\CP\22-23\159	INE700G14EK8	06-Feb-23	08-May-23	30,000	7.60%	91
TATA MF\HSL\CP\22-23\160	INE700G14EL6	13-Feb-23	15-May-23	40,000	7.62%	91
ICICI PRUDENTIAL LIQUID FUND\HSL\CP\22-23\161	INE700G14EM4	17-Feb-23	19-May-23	15,000	7.59%	91
HSBC Cash Fund\HSL\CP\22-23\162	INE700G14EM4	17-Feb-23	19-May-23	25,000	7.59%	91
ICICI PRUDENTIAL LIQUID FUND\HSL\CP\22-23\163	INE700G14EN2	28-Feb-23	30-May-23	30,000	7.90%	91
NIPPON MF\HSL\CP\22-23\164	INE700G14E00	02-Mar-23	01-Jun-23	20,000	7.90%	91
SBI MF\HSL\CP\22-23\165	INE700G14EP7	13-Mar-23	12-Jun-23	50,000	8.07%	91
HSBC MF\HSL\CP\22-23\166	INE700G14EP7	13-Mar-23	12-Jun-23	25,000	8.07%	91
Invesco MF\HSL\CP\22-23\167	INE700G14EQ5	15-Mar-23	14-Jun-23	10,000	7.90%	91
ADITYA BIRLA MF\HSL\CP\22-23\168	INE700G14EQ5	15-Mar-23	14-Jun-23	10,000	7.90%	91
ICICI Prudential MF\HSL\CP\22-23\169	INE700G14ER3	23-Mar-23	22-Jun-23	25,000	7.80%	91

Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

The following are the remaining contractual maturities of financial liabilities as on 31 March 2022

(₹ in lacs)

Particulars	Carrying Amount	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
total outstanding dues of micro enterprises and small enterprises	11	11			-	11
Payable to Exchanges	-	-			-	-
Payable to Clients	1,41,559	1,41,559			-	1,41,559
Other trade payables	498	498			-	498
Borrowings	4,61,914	4,61,914			-	4,61,914
Lease Liabilities	6,936	155	271	214	6,296	6,936
Other financial liabilities	469	469			-	469
Total	6,11,387	6,04,606	271	214	6,296	6,11,387

Details of Commercial Papers matured during the year ended 31 March 2022

(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
ICICI Prudential MF \ HSL\CP\20-21\028	INE700G14355	12-Jan-21	09-Apr-21	10,000	3.54%	87	09-Apr-21
ICICI Prudential MF \ HSL\CP\20-21\030	INE700G14371	20-Jan-21	16-Apr-21	5,000	3.79%	86	16-Apr-21
ICICI Prudential MF \ HSL\CP\20-21\031	INE700G14371	20-Jan-21	16-Apr-21	5,000	3.79%	86	16-Apr-21
SBI MF-SBI LIQUID FUND \ HSL\CP\20-21\029	INE700G14363	19-Jan-21	20-Apr-21	25,000	3.79%	91	20-Apr-21
IL&FS MF \ HSL\CP\20-21\032	INE700G14389	20-Jan-21	27-Apr-21	1,620	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\033	INE700G14389	20-Jan-21	27-Apr-21	380	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\034	INE700G14389	20-Jan-21	27-Apr-21	335	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\035	INE700G14389	20-Jan-21	27-Apr-21	770	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\036	INE700G14389	20-Jan-21	27-Apr-21	1,195	3.95%	97	27-Apr-21
IL&FS MF \ HSL\CP\20-21\037	INE700G14389	20-Jan-21	27-Apr-21	700	3.95%	97	27-Apr-21
Nippon MF \ HSL\CP\20-21\038	INE700G14397	28-Jan-21	28-Apr-21	10,000	4.05%	90	28-Apr-21
DSP MF \ HSL\CP\20-21\027	INE700G14348	24-Dec-20	30-Apr-21	10,000	3.87%	127	30-Apr-21
Nippon MF\HSL\CP\20-21\039	INE700G14405	02-Feb-21	03-May-21	10,000	3.97%	90	03-May-21
Invesco MF \HSL\CP\20-21\040	ING700G14413	03-Feb-21	04-May-21	10,000	3.97%	90	04-May-21
L&T MF \HSL\CP\20-21 \041	INE700G14421	16-Feb-21	18-May-21	10,000	3.84%	91	18-May-21
Nippon MF \HSL\CP\20-21\042	INE700G14439	17-Feb-21	19-May-21	10,000	3.84%	91	19-May-21
Mahindra MF\HSL\CP\20-21\043	INE700G14447	24-Feb-21	25-May-21	5,000	3.70%	90	25-May-21
Franklin MF\HSL\CP\20-21\044	INE700G14447	24-Feb-21	25-May-21	10,000	3.70%	90	25-May-21
HSBC MF \HSL\CP\20-21\045	INE700G14454	26-Feb-21	27-May-21	10,000	3.70%	90	27-May-21
Kotak Mahindra MF\HSL\CP\20-21\046	INE700G14462	02-Mar-21	01-Jun-21	10,000	3.70%	91	01-Jun-21
Aditya Birla MF\HSL\CP\20-21\047	INE700G14462	03-Mar-21	01-Jun-21	10,000	3.70%	90	01-Jun-21
Baroda MF \HSL\CP\20-21\048	INE700G14470	09-Mar-21	07-Jun-21	10,000	3.84%	90	07-Jun-21
HSBC MF\HSL\CP\20-21\049	INE700G14470	10-Mar-21	07-Jun-21	5,000	3.84%	89	07-Jun-21
Kotak Mahindra MF\HSL\CP\20-21\050	INE700G14470	10-Mar-21	07-Jun-21	5,000	3.84%	89	07-Jun-21

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

Kotak Mahindra MF\HSL\CP\20-21\051	INE700G14488	15-Mar-21	11-Jun-21	5,000	3.86%	88	11-Jun-21
DSP MF\HSL\CP\20-21\052	INE700G14488	15-Mar-21	11-Jun-21	5,000	3.86%	88	11-Jun-21
Invesco Trustee MF\HSL\CP\20-21\18	INE700G14272	04-Nov-20	18-Jun-21	5,000	3.83%	226	18-Jun-21
L&T MF\HSL\CP\20-21\053	INE700G14496	24-Mar-21	22-Jun-21	10,000	3.84%	90	22-Jun-21
UTI MF\HSL\CP\21-22\002	INE700G14520	20-Apr-21	23-Jun-21	25,000	3.53%	64	23-Jun-21
L&T MF\HSL\CP\20-21\054	INE700G14504	26-Mar-21	24-Jun-21	5,000	3.64%	90	24-Jun-21
Tata MF\HSL\CP\21-22\001	INE700G14512	16-Apr-21	15-Jul-21	10,000	3.75%	90	15-Jul-21
Tata MF\HSL\CP\21-22\003	INE700G14538	28-Apr-21	27-Jul-21	25,000	3.62%	90	27-Jul-21
ICICI Prudential MF\HSL\CP\21-22\004	INE700G14546	04-May-21	02-Aug-21	10,000	3.58%	90	02-Aug-21
Invesco MF\HSL\CP\21-22\005	INE700G14546	04-May-21	02-Aug-21	10,000	3.58%	90	02-Aug-21
Tata MF\HSL\CP\21-22\006	INE700G14553	14-May-21	12-Aug-21	20,000	3.70%	90	12-Aug-21
IDFC MF\HSL\CP\21-22\007	INE700G14561	18-May-21	17-Aug-21	20,000	3.67%	91	17-Aug-21
Aditya Birla MF\HSL\CP\21-22\008	INE700G14579	20-May-21	18-Aug-21	10,000	3.67%	90	18-Aug-21
BNP Paribas MF\HSL\CP\21-22\009	INE700G14587	25-May-21	24-Aug-21	5,000	3.68%	91	24-Aug-21
Mahindra MF\HSL\CP\21-22\010	INE700G14587	25-May-21	24-Aug-21	5,000	3.68%	91	24-Aug-21
HSBC MF\HSL\CP\21-22\011	INE700G14595	27-May-21	25-Aug-21	10,000	3.68%	90	25-Aug-21
Aditya Birla MF\HSL\CP\21-22\012	INE700G14603	31-May-21	30-Aug-21	20,000	3.70%	91	30-Aug-21
Franklin MF\HSL\CP\20-21\013	INE700G14603	31-May-21	30-Aug-21	7,500	3.69%	91	30-Aug-21
Aditya Birla MF\HSL\CP\21-22\014	INE700G14611	01-Jun-21	31-Aug-21	12,500	3.69%	91	31-Aug-21
Kotak Mahindra MF\HSL\CP\21-22\15	INE700G14629	07-Jun-21	06-Sep-21	10,000	3.68%	91	06-Sep-21
Baroda MF\HSL\CP\21-22\016	INE700G14629	07-Jun-21	06-Sep-21	10,000	3.68%	91	06-Sep-21
DSP MF\HSL\CP\21-22\019	INE700G14645	11-Jun-21	08-Sep-21	10,000	3.69%	89	08-Sep-21
ICICI Prudential MF\HSL\CP\21-22\017	INE700G14637	11-Jun-21	09-Sep-21	12,500	3.70%	90	09-Sep-21
Aditya Birla MF\HSL\CP\21-22\018	INE700G14637	11-Jun-21	09-Sep-21	7,500	3.70%	90	09-Sep-21
ICICI Prudential MF\HSL\CP\21-22\020	INE700G14652	14-Jun-21	13-Sep-21	10,000	3.69%	91	13-Sep-21
Kotak Mahindra MF\HSL\CP\21-22\021	INE700G14652	14-Jun-21	13-Sep-21	10,000	3.69%	91	13-Sep-21
DSP MF\HSL\CP\21-22\022	INE700G14652	14-Jun-21	13-Sep-21	5,000	3.69%	91	13-Sep-21
HSBC MF\HSL\CP\21-22\023	INE700G14652	14-Jun-21	13-Sep-21	5,000	3.69%	91	13-Sep-21
UTI MF\HSL\CP\21-22\024	INE700G14660	16-Jun-21	15-Sep-21	10,000	3.70%	91	15-Sep-21
L&T MF\HSL\CP\21-22\028	INE700G14694	23-Jun-21	20-Sep-21	10,000	3.74%	89	20-Sep-21
NIPPON MF\HSL\CP\21-21\025	INE700G14686	22-Jun-21	21-Sep-21	10,000	3.80%	91	21-Sep-21
UTI MF\HSL\CP\21-22\026	INE700G14678	23-Jun-21	22-Sep-21	5,000	3.74%	91	22-Sep-21
NIPPON MF\HSL\CP\21-22\027	INE700G14678	23-Jun-21	22-Sep-21	25,000	3.74%	91	22-Sep-21
DSP MF\HSL\CP\21-22\029	INE700G14702	28-Jun-21	27-Sep-21	10,000	3.69%	91	27-Sep-21

UTI MF \HSL\CP\21-22\0053	INE700G14850	13-Sep-21	14-Oct-21	20,000	3.53%	31	14-Oct-21
L&T MF \HSL\CP\21-22\047	INE700G14819	03-Sep-21	18-Oct-21	10,000	3.51%	45	18-Oct-21
Invesco MF \HSL\CP\21-22\0048	INE700G14835	07-Sep-21	22-Oct-21	5,000	3.49%	45	22-Oct-21
MIRAE MF\HSL\CP\201-22\0049	INE700G14835	07-Sep-21	22-Oct-21	5,000	3.49%	45	22-Oct-21
Kotak Mahindra MF\HSL\CP\21-22\0050	INE700G14835	08-Sep-21	22-Oct-21	10,000	3.49%	44	22-Oct-21
NIPPON MF\HSL\CP\21-21\030	INE700G14710	26-Jul-21	25-Oct-21	25,000	3.80%	91	25-Oct-21
NIPPON MF\HSL\CP\21-22\031	INE700G14728	02-Aug-21	29-Oct-21	20,000	3.84%	88	29-Oct-21
IDFC MF\HSL\CP\21-22\0042	INE700G14801	30-Aug-21	01-Nov-21	10,000	3.58%	63	01-Nov-21
IDFC MF\HSL\CP\21-22\0043	INE700G14801	31-Aug-21	01-Nov-21	10,000	3.58%	62	01-Nov-21
UTI MF\HSL\CP\21-22\032	INE700G14736	10-Aug-21	08-Nov-21	7,500	3.98%	90	08-Nov-21
ICICI Prudential MF \ HSL\CP\21-22\033	INE700G14744	11-Aug-21	09-Nov-21	5,000	3.92%	90	09-Nov-21
ADITYA BIRLA MF\HSL\CP\21-22\34	INE700G14744	11-Aug-21	09-Nov-21	7,500	3.92%	90	09-Nov-21
UTI MF \HSL\CP\21-22\035	INE700G14751	13-Aug-21	11-Nov-21	10,000	3.81%	90	11-Nov-21
SBI MF\HSL\CP\21-22\0036	INE700G14769	17-Aug-21	16-Nov-21	20,000	3.78%	91	16-Nov-21
Adity Birla MF\HSL\CP\21-22\0037	INE700G14777	23-Aug-21	22-Nov-21	10,000	3.61%	91	22-Nov-21
HSBC MF \HSL\CP\21-22\0038	INE700G14785	26-Aug-21	24-Nov-21	10,000	3.64%	90	24-Nov-21
Mahindra MF\HSL\CP\21-22\0039	INE700G14793	30-Aug-21	29-Nov-21	5,000	3.63%	91	29-Nov-21
BNP Paribas MF\HSL\CP\21-22\0040	INE700G14793	30-Aug-21	29-Nov-21	5,000	3.63%	91	29-Nov-21
Baroda MF\HSL\CP\21-22\0041	INE700G14793	30-Aug-21	29-Nov-21	10,000	3.63%	91	29-Nov-21
Franklin MF\HSL\CP\21-22\044	INE700G14827	01-Sep-21	30-Nov-21	7,500	3.62%	90	30-Nov-21
ICICI Prudential MF \ HSL\CP\21-22\045	INE700G14827	01-Sep-21	30-Nov-21	2,500	3.62%	90	30-Nov-21
ICICI Prudential MF \ HSL\CP\21-22\046	INE700G14827	01-Sep-21	30-Nov-21	10,000	3.62%	90	30-Nov-21
UTI MF \HSL\CP\21-22\0075	INE700G14967	20-Oct-21	06-Dec-21	20,000	3.60%	47	06-Dec-21
Adity Birla MF\HSL\CP\21-22\0051	INE700G14843	09-Sep-21	09-Dec-21	20,000	3.65%	91	09-Dec-21
Adity Birla MF\HSL\CP\21-22\0052	INE700G14843	09-Sep-21	09-Dec-21	10,000	3.65%	91	09-Dec-21
DSP MF \HSL\CP\21-22\0054	INE700G14868	14-Sep-21	14-Dec-21	15,000	3.65%	91	14-Dec-21
HSBC MF \HSL\CP\21-22\0055	INE700G14868	14-Sep-21	14-Dec-21	5,000	3.65%	91	14-Dec-21
Baroda MF \HSL\CP\21-22\0056	INE700G14876	17-Sep-21	16-Dec-21	10,000	3.68%	90	16-Dec-21
ICICI PRUDENTIAL MF\HSL\CP\21-22\0057	INE700G14884	20-Sep-21	20-Dec-21	15,000	3.68%	91	20-Dec-21
UTI MF \HSL\CP\21-22\058	INE700G14884	20-Sep-21	20-Dec-21	5,000	3.68%	91	20-Dec-21
UTI MF\HSL\CP\21-22\059	INE700G14892	21-Sep-21	21-Dec-21	20,000	3.68%	91	21-Dec-21
Kotak Mahindra MF\HSL\CP\21-22\0060	INE700G14892	21-Sep-21	21-Dec-21	10,000	3.68%	91	21-Dec-21
DSP MF\HSL\CP\21-22\0061	INE700G14892	21-Sep-21	21-Dec-21	10,000	3.68%	91	21-Dec-21
L&T MF\HSL\CP\21-22\0074	INE700G14959	18-Oct-21	24-Dec-21	15,000	3.55%	67	24-Dec-21

DSP MF\HSL\CP\21-22\0062	INE700G14900	27-Sep-21	27-Dec-21	10,000	3.78%	91	27-Dec-21
ICICI PRUDENTIAL MF\HSL\CP\21-22\0063	INE700G14918	04-Oct-21	03-Jan-22	5,000	3.98%	91	03-Jan-22
ICICI PRUDENTIAL MF\HSL\CP\21-22\0064	INE700G14918	04-Oct-21	03-Jan-22	5,000	3.98%	91	03-Jan-22
UTI MF\HSL\CP\21-22\0071	INE700G14934	08-Oct-21	07-Jan-22	15,000	3.92%	91	07-Jan-22
Nippon MF \HSL\CP\21-22\0072	INE700G14942	13-Oct-21	12-Jan-22	20,000	3.74%	91	12-Jan-22
Innesco MF \HSL\CP\21-22\0073	INE700G14942	13-Oct-21	12-Jan-22	10,000	3.74%	91	12-Jan-22
ICICI Prudential MF\HSL\CP\21-22\0077	INE700G14983	21-Oct-21	20-Jan-22	7,500	3.90%	91	20-Jan-22
Axis MF\HSL\CP\21-22\0078	INE700G14983	21-Oct-21	20-Jan-22	5,000	3.90%	91	20-Jan-22
Nippon MF\HSL\CP\21-22\0079	INE700G14983	21-Oct-21	20-Jan-22	15,000	3.90%	91	20-Jan-22
Kotak Mahindra MF\HSL\CP\21-22\0076	INE700G14975	22-Oct-21	21-Jan-22	10,000	3.74%	91	21-Jan-22
BARODA MF\HSL\CP\21-22\0086	INE700G14991	25-Oct-21	24-Jan-22	10,000	3.98%	91	24-Jan-22
Nippon MF\HSL\CP\21-22\0087	INE700G14AC3	28-Oct-21	27-Jan-22	25,000	4.40%	91	27-Jan-22
Nippon MF\HSL\CP\21-22\0088	INE700G14AB5	29-Oct-21	28-Jan-22	15,000	4.40%	91	28-Jan-22
IDFC MF\HSL\CP\21-22\0089	INE700G14AD1	03-Nov-21	02-Feb-22	10,000	4.65%	91	02-Feb-22
Invesco MF\HSL\CP\21-22\0100	INE700G14AK6	08-Dec-21	04-Feb-22	10,000	3.98%	58	04-Feb-22
Nippon MF\HSL\CP\21-22\0090	INE700G14AE9	09-Nov-21	08-Feb-22	20,000	4.62%	91	08-Feb-22
Nippon MF\HSL\CP\21-22\0091	INE700G14AF6	10-Nov-21	09-Feb-22	10,000	4.59%	91	09-Feb-22
L&T Technology Services Ltd\HSL\CP\21-22\0092	INE700G14AF6	10-Nov-21	09-Feb-22	10,000	4.59%	91	09-Feb-22
IDFC MF\HSL\CP\21-22\0093	INE700G14AG4	15-Nov-21	10-Feb-22	10,000	4.05%	87	10-Feb-22
UTI MF\HSL\CP\21-22\0094	INE700G14AG4	15-Nov-21	10-Feb-22	10,000	4.05%	87	10-Feb-22
L&T MF\HSL\CP\21-22\109	INE700G14AP5	24-Dec-21	22-Feb-22	10,000	4.20%	60	22-Feb-22
Baroda MF \HSL\CP\21-22\110	INE700G14AP5	24-Dec-21	22-Feb-22	5,000	4.20%	60	22-Feb-22
EDELWISS MF\HSL\CP\21-22\111	INE700G14AP5	24-Dec-21	22-Feb-22	5,000	4.20%	60	22-Feb-22
MIRAE MF\HSL\CP\21-22\112	INE700G14AP5	24-Dec-21	22-Feb-22	5,000	4.20%	60	22-Feb-22
HSBC MF\HSL\CP\21-22\0095	INE700G14AH2	24-Nov-21	23-Feb-22	10,000	4.19%	91	23-Feb-22
UTI MF\HSL\CP\21-22\0096	INE700G14AH2	25-Nov-21	23-Feb-22	10,000	4.19%	90	23-Feb-22
L&T MF\HSL\CP\21-22\114	INE700G14AQ3	28-Dec-21	25-Feb-22	10,000	4.28%	59	25-Feb-22
Kotak Mahindra\HSL\CP\21-22\115	INE700G14AQ3	28-Dec-21	25-Feb-22	10,000	4.28%	59	25-Feb-22
SBI MF\HSL\CP\21-22\0097	INE700G14A10	29-Nov-21	28-Feb-22	30,000	4.02%	91	28-Feb-22
Mahindra MF\HSL\CP\21-22\127	INE700G14AY7	28-Jan-22	02-Mar-22	5,000	4.05%	33	02-Mar-22
Baroda MF \HSL\CP\21-22\126	INE700G14AY7	28-Jan-22	02-Mar-22	15,000	4.05%	33	02-Mar-22
ICICI Prudential MF\HSL\CP\21-22\0098	INE700G14AJ8	03-Dec-21	03-Mar-22	15,000	4.00%	90	03-Mar-22
L&T MF\HSL\CP\21-22\0099	INE700G14AJ8	03-Dec-21	03-Mar-22	10,000	4.00%	90	03-Mar-22
UTI MF\HSL\CP\21-22\0101	INE700G14AL4	13-Dec-21	07-Mar-22	15,000	4.10%	84	07-Mar-22

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

Aditya Birla MF \HSL\CP\21-22\0102	INE700G14AL4	13-Dec-21	07-Mar-22	15,000	4.10%	84	07-Mar-22
Franklin MF \HSL\CP\21-22\0103	INE700G14AM2	14-Dec-21	11-Mar-22	7,500	4.10%	87	11-Mar-22
HSBC MF \HSL\CP\21-22\0104	INE700G14AM2	14-Dec-21	11-Mar-22	5,000	4.10%	87	11-Mar-22
UTI MF \HSL\CP\21-22\0105	INE700G14A08	20-Dec-21	17-Mar-22	20,000	4.27%	87	17-Mar-22
SBI MF \HSL\CP\21-22\106	INE700G14A08	21-Dec-21	17-Mar-22	20,000	4.27%	86	17-Mar-22
Aditya Birla MF \HSL\CP\21-22\107	INE700G14AN0	21-Dec-21	21-Mar-22	25,000	4.27%	90	21-Mar-22
UTI MF \HSL\CP\21-22\0108	INE700G14AN0	21-Dec-21	21-Mar-22	20,000	4.27%	90	21-Mar-22

Details of Commercial Papers as at 31 March 2022

(Rs in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days
IL&FS MF \ HSL\CP\21-22\080	INE700G14AA7	22-Oct-21	21-Apr-22	1,650	4.50%	181
IL&FS MF \ HSL\CP\21-22\081	INE700G14AA7	22-Oct-21	21-Apr-22	360	4.50%	181
IL&FS MF \ HSL\CP\21-22\082	INE700G14AA7	22-Oct-21	21-Apr-22	430	4.50%	181
IL&FS MF \ HSL\CP\21-22\083	INE700G14AA7	22-Oct-21	21-Apr-22	810	4.50%	181
IL&FS MF \ HSL\CP\21-22\084	INE700G14AA7	22-Oct-21	21-Apr-22	820	4.50%	181
IL&FS MF \ HSL\CP\21-22\085	INE700G14AA7	22-Oct-21	21-Apr-22	930	4.50%	181
IL&FS MF \ HSL\CP\21-22\065	INE700G14926	05-Oct-21	26-Apr-22	2,420	4.35%	203
IL&FS MF \ HSL\CP\21-22\066	INE700G14926	05-Oct-21	26-Apr-22	2,290	4.35%	203
IL&FS MF \ HSL\CP\21-22\067	INE700G14926	05-Oct-21	26-Apr-22	2,790	4.35%	203
IL&FS MF \ HSL\CP\21-22\068	INE700G14926	05-Oct-21	26-Apr-22	560	4.35%	203
IL&FS MF \ HSL\CP\21-22\069	INE700G14926	05-Oct-21	26-Apr-22	1,540	4.35%	203
IL&FS MF \ HSL\CP\21-22\070	INE700G14926	05-Oct-21	26-Apr-22	400	4.35%	203
DSP MF \HSL\CP\21-22\113	INE700G14AR1	27-Dec-21	27-May-22	10,000	4.82%	151
Axis MF \HSL\CP\21-22\119	INE700G14AT7	11-Jan-22	05-Apr-22	15,000	4.18%	84
ICICI Prudential MF \HSL\CP\21-22\120	INE700G14AU5	20-Jan-22	20-Apr-22	20,000	4.13%	90
DSP MF \HSL\CP\21-22\121	INE700G14AU5	20-Jan-22	20-Apr-22	20,000	4.13%	90
Kotak Mahindra \HSL\CP\21-22\122	INE700G14AV3	24-Jan-22	25-Apr-22	25,000	4.15%	91
EDELWISS MF \HSL\CP\21-22\125	INE700G14AX9	28-Jan-22	28-Apr-22	2,500	4.26%	90
UTI MF \HSL\CP\21-22\0116	INE700G14AS9	07-Jan-22	10-Jun-22	10,000	4.75%	154
Aditya Birla MF \HSL\CP\21-22\117	INE700G14AS9	07-Jan-22	10-Jun-22	10,000	4.75%	154
Tata MF \HSL\CP\21-22\118	INE700G14AS9	07-Jan-22	10-Jun-22	5,000	4.75%	154

Kotak Mahindra MF \HSLICP\21-22\124	INE700G14AW1	27-Jan-22	15-Jul-22	10,000	4.74%	169
UTI MF\HSLICP\21-22\123	INE700G14AW1	27-Jan-22	15-Jul-22	5,000	4.74%	169
SBI MF\HSLICP\21-22\131	INE700G14AX9	08-Feb-22	28-Apr-22	20,000	4.63%	79
IDFC MF \HSLICP\21-22\129	INE700G14BA5	03-Feb-22	29-Apr-22	10,000	4.44%	85
L&T Technology Services Ltd\HSLICP\21-22\130	INE700G14BB3	03-Feb-22	05-May-22	5,000	4.44%	91
Nippon MF \HSLICP\21-22\132	INE700G14BC1	09-Feb-22	10-May-22	25,000	4.60%	90
MIRAE MF\HSLICP\21-22\133	INE700G14BD9	15-Feb-22	17-May-22	5,000	4.34%	91
IDFC MF\HSLICP\21-22\134	INE700G14BD9	15-Feb-22	17-May-22	10,000	4.34%	91
Baroda MF \HSLICP\21-22\135	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91
Invesco MF \HSLICP\21-22\136	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91
ICICI Prudential MF\HSLICP\21-22\137	INE700G14BE7	22-Feb-22	24-May-22	7,500	4.29%	91
IDFC MF\HSLICP\21-22\138	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91
ICICI Prudential MF\HSLICP\21-22\139	INE700G14BE7	22-Feb-22	24-May-22	7,500	4.29%	91
L&T MF\HSLICP\21-22\140	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91
HSBC MF \CP\21-22\141	INE700G14BE7	23-Feb-22	24-May-22	12,500	4.29%	90
Kotak MF\HSLICP \21-22\142	INE700G14BF4	25-Feb-22	26-May-22	15,000	4.39%	90
LARSEN & TOUBRO LTD\HSLICP\21-22\128	INE700G14AZ4	03-Feb-22	02-Feb-23	10,000	5.30%	364
Baroda MF \HSLICP\21-22\143	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85
UTI MF\HSLICP\21-22\144	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85
UTI MF\HSLICP\21-22\145	INE700G14BG2	03-Mar-22	31-May-22	15,000	4.39%	89
UTI MF\HSLICP\21-22\146	INE700G14BH0	07-Mar-22	06-Jun-22	15,000	4.45%	91
ICICI Prudential MF\HSLICP\21-22\147	INE700G14BH0	07-Mar-22	06-Jun-22	7,500	4.45%	91
Aditya Birla MF\HSLICP\21-22\148	INE700G14BJ6	11-Mar-22	07-Jun-22	15,000	4.50%	88
Aditya Birla MF\HSLICP\21-22\149	INE700G14AS9	14-Mar-22	10-Jun-22	10,000	4.50%	88
UTI MF\HSLICP\21-22\150	INE700G14AS9	14-Mar-22	10-Jun-22	10,000	4.50%	88
SBI MF\HSLICP\21-22\151	INE700G14BI8	16-Mar-22	14-Jun-22	30,000	4.50%	90
ICICI Prudential MF\HSLICP\21-22\152	INE700G14BI8	16-Mar-22	14-Jun-22	7,500	4.50%	90
UTI MF\HSLICP\21-22\153	INE700G14BK4	21-Mar-22	20-Jun-22	20,000	4.47%	91

c. Market risk

HDFC Securities Limited

Notes forming part of the Financial Statements

(For the year ended 31 March 2023)

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Foreign currency risk

The Company does not have any foreign currency exposure as at each reporting date. Accordingly, foreign currency risk disclosure is not applicable.

ii. Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from borrowings, interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets. All the borrowings of the company are fixed interest rate bearing instrument and hence there is no impact of movement in interest rate.

iii. Market price risks

The Company is exposed to market price risk, which arises from FVTPL investment in mutual funds. The management monitors the proportion of mutual funds investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

44 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option plans (Equity Settled)

On 21 June 2019, 14 December 2020, 16 September 2021, 13 January 2022 and on 13 October 2022 the Company has granted share options, that entitles the employees and the key management personnel (KMP) to purchase the shares in the Company. Holders of the vested stock options are entitled to purchase shares at the exercise price of the shares. The key terms and conditions related to the grants under the plan are as follows; and all options are to be settled by the delivery of shares.

Grant date / employees entitled	Number of instruments	Vesting conditions	Method of settlement	Contractual life of options
Options granted to employees and KMP on 21-06-2019	94,500	The options granted to the KMPs and employees shall vest in three years from the date of Grant.	Equity settled	Six years
Options granted to employees and KMP on 14-12-2020	1,67,500	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Seven years
Options granted to employees and KMP on 16-09-2021	67,500	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Seven years
Options granted to employees and KMP on 13-01-2022	43,000	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Seven years
Options granted to employees and KMP on 13-10-2022	1,18,300	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Six years
Total share options granted till date	4,90,800			

B. Measurement of fair values

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using Black - Scholes Option pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

	As at 31 March 2023	As at 31 March 2022
	Share option plan for KMPs and employees	Share option plan for KMPs and employees
Fair value of options as on grant date (₹)	1529.63 - 1849.18	1870.3 - 2745.84
Share price as on grant date (₹)	6918	6098 - 8051
Exercise price (₹)	6918	6098 - 8051
Expected volatility	44.87% to 49.25%	45.00%
Expected life (expected weighted average life)	3 to 5 years	3 to 6 years
Expected dividends	7.91%	4.91%
Risk- free interest rate (based on government bonds)	7.05% to 7.33%	5.22% to 6.24%
Method used to determine expected volatility	The expected volatility is based on price volatility of listed companies in same or similar industry.	The expected volatility is based on price volatility of listed companies in same or similar industry.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	Number of options 31 March 2023	Weighted average exercise price 31 March 2023	Number of options 31 March 2022	Weighted average exercise price 31 March 2022
(A) Equity-settled Share-based payments:				
Options outstanding as at the beginning of the year	2,53,500	₹ 5,979	2,28,650	₹ 5,237
Add: Options granted during the year	1,18,300	₹ 6,918	1,10,500	₹ 6,858
Less: Options lapsed / forfeited during the year	10,550	₹ 6,639	23,250	₹ 5,445
Less: Options exercised during the year	65,625	₹ 5,418	62,400	₹ 5,017
Options outstanding as at the year end	2,95,625	₹ 6,456	2,53,500	₹ 5,979
Options exercisable as at the year end	32,250	₹ 6,105	3,500	₹ 5,344

D. Expense recognised in the statement of profit and loss

Refer note 31 on employee benefit expense, for information on expense charged to the Statement of profit and loss on account of share based payments.

E. ESOP granted by parent

Notes forming part of the Financial Statements**(For the year ended 31 March 2023)****Reconciliation of outstanding share options**

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2023	31 March 2023	31 March 2022	31 March 2022
(A) Equity-settled Share-based payments:				
Options outstanding as at the beginning of the year	10,94,600	₹ 1,386	13,93,460	₹ 1,077
Add: Options granted during the year	-	-	-	-
Less: Options lapsed / forfeited during the year	51,840	₹ 1,247	51,100	₹ 1,289
Less: Options exercised during the year	-	-	2,47,760	₹ 1,214
Options outstanding as at the year end	10,42,760	₹ 1,392	10,94,600	₹ 1,386
Options exercisable as at the year end	7,84,500	₹ 1,446	5,78,900	₹ 1,493

Expense recognised in the statement of profit and loss

Refer note 31 on employee benefit expense, for information on expense charged to the Statement of profit and loss on account of share based payments.

Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

45 Revenue from contract with customers

The Company derives revenue primarily from the share broking business. Its other major revenue sources are the distribution income and treasury income.

Disaggregate revenue information

- 1 The table below presents disaggregate revenues from contracts with customers for the year ended 31 March 2023 by type of revenue segregated into its operating segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

Broking Income - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract.

Distribution Income - Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant after deducting claw back amount as per the agreed terms. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

Interest Income - Interest is earned on delayed payments from clients and amounts funded to them. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

2 Disaggregate revenue information:

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Broking	80,832	1,15,547
Distribution	33,871	24,665
Interest on Loan	47,978	45,878
Interest income	298	213
Total	1,62,980	1,86,303

3 Nature, timing of satisfaction of the performance obligation and significant payment terms.

Income from services rendered as a broker is recognised upon rendering of the services.

Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.

Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

46 Movement of provisions for the year ended 31 March 2023 comprises of:

₹ in lacs

Particulars	Opening	Addition	Deletion	Closing
Service Tax Demand*	713	-	-	713
Dispute with respect to trades executed**	247	14	-	261
Total	960	14	-	974

Movement of provisions for the year ended 31 March 2022 comprises of:

₹ in lacs

Particulars	Opening	Addition	Deletion	Closing
Service Tax Demand	713	-	-	713
Dispute with respect to trades executed	49	198	-	247
Total	762	198	-	960

Note:

* outstanding service tax demand for July 2012 - March 2018 raised by the department, the appeal is still pending with CESTAT for disbursal.

**The client disputed trades on going with multiple authorities

47 Auditors Remuneration

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Auditor	37	35
For other services	-	-
For reimbursement of expenses	2	1
Total	39	36

48 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

49 Capital Work In Progress and Intangible Assets Under Development aging schedule

Capital Work In Progress	Amount in Capital Work In Progress for a year ended 31 March 2023				(₹ in lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	47	17	57	10	131
Projects temporarily suspended					-

For capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Capital Work In Progress	To be completed in				(₹ in lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1					-
Project 2					-

Details of projects where activity has been suspended shall be given separately.

Capital Work In Progress	Amount in Capital Work In Progress for a year ended 31 March 2022				(₹ in lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	259	57	3	-	319
Projects temporarily suspended					-

For capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Capital Work In Progress	To be completed in				(₹ in lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1					-
Project 2					-

Details of projects where activity has been suspended shall be given separately.

Intangible Assets Under Development	Amount in IAUD for a year ended 31 March 2023				(₹ in lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,420	324	-	-	2,743
Projects temporarily suspended					-

For Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

Intangible Assets Under Development	To be completed in				(₹ in lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1					-
Project 2					-

Details of projects where activity has been suspended shall be given separately.

Intangible Assets Under Development	Amount in IAUD for a year ended 31 March 2022				(₹ in lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	997	118	-	36	1,151
Projects temporarily suspended					-

For Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

IAUD	To be completed in				(₹ in lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1					-
Project 2					-

Details of projects where activity has been suspended shall be given separately.

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

50 Struck off company
as at 31 March 2023

(₹ in lacs)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship
	Investment in securities	-	
	Receivables	-	
	Payables	-	
	Shares held by struck off company	-	
	Other outstanding balances	-	

as at 31 March 2022

(₹ in lacs)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship
	Investment in securities	-	
	Receivables	-	
	Payables	-	
	Shares held by struck off company	-	
	Other outstanding balances	-	

Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

51 Key Ratios

Particulars		31 March 2023	31 March 2022	Variance Remarks
1	Current Ratio	1.12	1.23	-
2	Debt-Equity Ratio (times)	2.92	2.79	-
3	Debt service coverage ratio (times)	0.25	0.32	-
4	Interest Services Coverage Ratio	4.52	9.45	The decrease is on account of lower profit and higher finance cost as compare to previous year
5	Net Worth (₹ in lacs)	1,79,714	1,65,791	-
6	Net Profit after tax (₹ in lacs)	77,723	98,435	-
7	Earnings per share (Diluted) (₹)	490	622	-
8	Outstanding redeemable preference shares	Not Applicable	Not Applicable	-
9	Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable	-
10	Long Term Debt to Working Capital Ratio	Nil	Nil	-
11	Bad Debts to Accounts Receivables Ratio	Nil	Nil	-
12	Current Liability Ratio	0.99	0.99	-
13	Total Debts to Total Assets	0.64	0.58	-
14	Return on equity (ROE) ratio	43%	59%	Return on equity has decreased on account of lower profit after tax for year ending 31 March 2023 as compare to year ending 31 March 2022
15	Inventory turnover ratio	-	-	-
16	Trade receivables turnover ratio	4.64	3.93	-
17	Trade payables turnover ratio	1.93	1.40	The trade payable turnover ratio is a liquidity ratio that measures the average number of times a company pays its creditors over an accounting period. The Company is paying it accounts payable at 1.93 times as compare to 1.40 times in previous year
18	Net capital turnover ratio	29%	32%	-
19	Cost to Income Ratio	45%	34%	The Cost to Income ratio is higher on account of lower profitability as compare to previous year
20	Operating profit ratio	55%	66%	-
21	Net profit ratio	41%	49%	-
22	Return on capital employed	19%	24%	-
23	Return on investment	9%	12%	-

Notes forming part of the Financial Statements**(For the year ended 31 March 2023)****Explanation**

1	Current Ratio	Current Assets / Current Liabilities
2	Debt-Equity Ratio (times)	Debt (Borrowings) / Equity (Equity Share Capital + Other Equity)
3	Debt service coverage ratio	Earning before Interest Tax Depreciation Amortization EBITDA / Interest + Principal
4	Interest Services Coverage Ratio	Profit before Interest and tax / Interest expenses
5	Net Worth	Equity + Other Equity
6	Net Profit after tax	Total Income - Total Expense - Total Tax Expense
7	Earnings per share (Diluted)	Weighted average number of equity shares / Net profit after tax
8	Outstanding redeemable preference shares	Not Applicable
9	Capital redemption / Debenture redemption reserve	Not Applicable
10	Long Term Debt to Working Capital Ratio	Company do not have any Long Term Debt and hence the ratio is Nil
11	Bad Debts to Accounts Receivables Ratio	Company do not have any Bad Debts (Expected credit loss provided) and hence the ratio is Nil
12	Current Liability Ratio	Current Liability / Total Liability
13	Total Debts to Total Assets	Borrowings / Total Assets
14	Return on equity ratio	Profit for the year / Shareholder's Equity * 100
15	Inventory turnover ratio	-
16	Trade receivables turnover ratio	Total Income / Trade Receivable
17	Trade payables turnover ratio	Total Income / Trade Payable
18	Net capital turnover ratio	Total Income / Working Capital (Total Assets - Shareholder's Equity) * 100
19	Cost to Income Ratio	Total Expenses / Total Income
20	Operating profit ratio	Profit before tax / Total Income * 100
21	Net profit ratio	Profit for the year / Total Income * 100
22	Return on capital employed	Earning before Interest Tax EBIT / Capital Employed * 100
23	Return on investment	Profit for the year / Total Assets * 100

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

52 Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	(₹ in lacs)		
	31 March 2023	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	39,210	39,210	-
Bank Balance other than (4) above	3,11,740	3,11,740	-
Receivables			
Trade Receivables	40,727	37,156	3,571
Loans	2,74,757	2,74,757	-
Investments	1,21,361	42,964	78,397
Other Financial Assets	13,191	11,830	1,361
	<u>8,00,986</u>	<u>7,17,657</u>	<u>83,329</u>
Non-Financial Assets			
Current tax assets (Net)	3,829	-	3,829
Deferred tax Assets (Net)	-	-	-
Investment Property	1,368	-	1,368
Property, Plant and Equipment	8,051	-	8,051
Right-of-use assets	5,487		5,487
Capital work-in-progress	131		131
Intangible assets under development	2,743		2,743
Other Intangible assets	2,908		2,908
Other non-financial assets	1,297	1,065	232
	<u>25,815</u>	<u>1,065</u>	<u>24,749</u>
TOTAL ASSETS	<u>8,26,801</u>	<u>7,18,722</u>	<u>1,08,079</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	20	20	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	98,171	98,171	-
Borrowings	5,25,410	5,25,410	-
Lease Liabilities	6,491	98	6,393
Other financial liabilities	2,855	2,766	89
	<u>6,32,946</u>	<u>6,26,465</u>	<u>6,482</u>
Non-Financial Liabilities			
Current tax liabilities (Net)	179	179	-
Provisions	11,055	10,793	262
Deferred tax liabilities (Net)	367	-	367
Other non-financial liabilities	2,538	2,511	27
	<u>14,140</u>	<u>13,483</u>	<u>657</u>
Total Liabilities	<u>6,47,086</u>	<u>6,39,948</u>	<u>7,138</u>
Net	<u>1,79,715</u>	<u>78,774</u>	<u>1,00,940</u>

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

Particulars	(₹ in lacs)		
	31 March 2022	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	1,31,792	1,31,792	-
Bank Balance other than (4) above	2,28,091	2,28,091	-
Receivables			1,819
Trade Receivables	50,586	48,767	
Loans	3,28,348	3,28,348	-
Investments	24,377	21,217	3,160
Other Financial Assets	6,102	5,172	930
	<u>7,69,296</u>	<u>7,63,387</u>	<u>5,909</u>
Non-Financial Assets			
Current tax assets (Net)	3,049	-	3,049
Deferred tax Assets (Net)	-	-	-
Investment Property	1,397	-	1,397
Property, Plant and Equipment	7,584	-	7,584
Right-of-use assets	6,147		6,147
Capital work-in-progress	319		319
Intangible assets under development	1,151		1,151
Other Intangible assets	1,968		1,968
Other non-financial assets	1,343	987	356
	<u>22,958</u>	<u>987</u>	<u>21,971</u>
TOTAL ASSETS	<u><u>7,92,254</u></u>	<u><u>7,64,374</u></u>	<u><u>27,880</u></u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	11	11	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,42,057	1,42,057	-
Borrowings	4,61,914	4,61,914	-
Lease Liabilities	6,936	155	6,781
Other financial liabilities	469	392	77
	<u>6,11,387</u>	<u>6,04,529</u>	<u>6,858</u>
Non-Financial Liabilities			
Current tax liabilities (Net)	179	179	-
Provisions	11,733	11,499	234
Deferred tax liabilities (Net)	280	-	280
Other non-financial liabilities	2,884	2,884	-
	<u>15,075</u>	<u>14,562</u>	<u>514</u>
Total Liabilities	<u><u>6,26,462</u></u>	<u><u>6,19,091</u></u>	<u><u>7,372</u></u>
Net	<u><u>1,65,792</u></u>	<u><u>1,45,283</u></u>	<u><u>20,507</u></u>

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2023)

53 Title deeds of immovable properties
as at 31 March 2023

₹ in lacs

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company**
NA						

Note: All immovable properties title deeds under the name of HDFC Securities Limited

as at 31 March 2022

₹ in lacs

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company**
NA						

Note: All immovable properties title deeds under the name of HDFC Securities Limited

54 Events after reporting date

There are no material events after the reporting date that require disclosure in these financial statements.

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

RITESH
KALYANMEHAR
AL GOYAL

RITESH GOYAL
Partner
Membership No. 115007

Place: Mumbai
Date: 14 April 2023

For and on behalf of the Board of Directors
HDFC Securities Limited
CIN Number: U67120MH2000PLC152193

Dhiraj Relli
Digitally signed by Dhiraj Relli
Date: 2023.04.14 16:19:47 +05'30'

DHIRAJ RELLI
Managing Director
DIN: 07151265

ASHISH KAMALKISH ORE RATHI
Digitally signed by ASHISH KAMALKISHORE RATHI
Date: 2023.04.14 16:25:59 +05'30'

ASHISH RATHI
Whole Time Director

DIN: 07731968
Place: Mumbai
Date: 14 April 2023

KUNAL SURESH SANGHAVI
Digitally signed by KUNAL SURESH SANGHAVI
Date: 2023.04.14 16:29:23 +05'30'

KUNAL SANGHAVI
Chief Financial Officer

MITUL SURAJLAL PALANKAR
Digitally signed by MITUL SURAJLAL PALANKAR
Date: 2023.04.14 16:32:15 +05'30'

MITUL PALANKAR
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of HDFC Securities Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of HDFC Securities Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of 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 financial statements give the information required by the Companies Act, 2013, as amended ("the 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 March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 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 audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
1. IT Systems and controls	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes.	We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:
Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are	<ul style="list-style-type: none"> Tested the design and operating effectiveness of IT access controls, including audit trail, over the information systems that are relevant to financial reporting and relevant interfaces, configuration and other identified application controls.

Key audit matter	How our audit addressed the key audit matter
<p>required to be designed and to operate effectively to ensure accurate financial reporting.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<ul style="list-style-type: none">• Tested IT general controls (logical access, change management and aspects of IT operational controls). This included testing that requests for access and changes of access to systems were appropriately reviewed, authorized.• Tested the Company's periodic review of access rights.• We also tested requests of changes to systems for approval and authorization.• Tested the design and operating effectiveness of compensating manual controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2024 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.

Other Matter

The financial statements of the Company for the year ended March 31, 2023, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 14, 2023.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
 - (i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 37 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 51 (g) to the 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), or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities

S.R. BATLIBOI & Co. LLP

Chartered Accountants

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;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 51 (h) to the 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, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

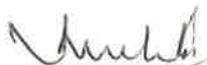
c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
- vi. As stated in note 51 (i) of the financial statements, based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail has operated throughout the year for all relevant transactions in respect of SUN accounting software and we did not come across any instance of tampering of audit trail for transactions recorded therein, except that (a) audit trail was not enabled in respect of the supporting databases (Sun and Precision) and (b) we are unable to comment whether the audit trail feature has operated throughout the year for all relevant transactions recorded in another accounting software (Precision) in the absence of comprehensive information.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Viren H. Mehta**

Partner

Membership Number: 048749

UDIN: 24048749BKFGXY8214

Place of Signature: Mumbai

Date: April 12, 2024

S.R. BATLIBOI & CO. LLP

Chartered Accountants

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

Re: HDFC Securities Limited

- (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 intangibles assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets.
- (c) The title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are 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's business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements and as disclosed in note 51 (k) to the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institution are in agreement with the audited/unaudited books of accounts of the company.
- (iii) (a) During the year the Company has provided loans to companies, firms, Limited Liability Partnerships or any other parties as follows:

	Loans (Amount in Rs.)
Aggregate amount granted/ provided during the year	-53,09,780.46 lakhs
- Others	- 53,09,780.46 lakhs
- Subsidiaries	Nil
Balance outstanding as at balance sheet date in respect of above cases	
- Others	- 6,02,523.92 lakhs
- Subsidiaries	- Nil

During the year the Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report these is not applicable to the Company.

- (b) During the year the terms and conditions of the grant of all loans to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest. During the year Company has not made investments, provided guarantees, give security and granted advances in the nature of loans and guarantees to companies, firms, Limited Liability

S.R. BATLIBOI & Co. LLP

Chartered Accountants

Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we were unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below)

The Company has not granted loans and advances in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

- (d) There are no amounts of loans granted to companies, firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.

The Company has not granted advances in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on this is not applicable to the Company.

- (e) There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

The Company has not granted advances in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (f) The Company has granted any repayable on demand or without specifying any terms or period of repayment to companies or any other parties. Of these following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

	All Parties (Amount in Rs.)	Related Parties (Amount in Rs.)	Promoters (Amount in Rs.)
Aggregate amount of loans - Repayable on demand	53,09,780.46 lakhs	-	-
Percentage of loans to the total loans	100%	-	-

The Company has not granted advances in the nature of loans, either repayable on demand or without specifying any term or period of repayment to Companies, firms, Limited Partnership or any other parties. Accordingly, the requirement to report on these is not applicable to the Company.

- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were

S.R. BATLIBOI & CO. LLP

Chartered Accountants

outstanding, at the year end, for a period of more than six months from the date they became payable.

As informed, provision of sales tax, wealth tax, value added tax, excise duty and custom duty are currently not applicable to the Company.

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Jammu and Kashmir Stamp Act, 1977	Stamp Duty	58.47	Financial Years 2011-12 and 2016-17	Jammu and Kashmir High Court
Finance Act, 1994	Service Tax	3.77	Financial Years 2004-05 and 2005-06	Commissioner of Central Excise (Appeal)
Finance Act, 1994	Service Tax	1.34	Financial Years 2014-15 to 2017-18	Deputy / Assistant Commissioner Div. II
Finance Act, 1994	Service Tax	4.86	Financial Years 2014-15 to 2017-18	Deputy / Assistant Commissioner Div. II
Income Tax Act, 1961	Income Tax	253.29	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	80.97	Assessment Year 2014-15	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2,516.48	Assessment Year 2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	431.03	Assessment Year 2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	1,875.40	Assessment Year 2018-19	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	143.31	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	97.92	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	197.99	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	217.36	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)
Goods and Service Tax Act, 2017	Goods and Service Tax	1.36	Financial Year 2018-19	Commissioner of Goods and Service Tax
Finance Act, 1994	Service Tax	713.13	Financial Year 2012-13 to 2017-18	Custom, Excise and Service Tax Appellate Tribunal

As informed, provision of sales tax, wealth tax, value added tax, excise duty and custom duty are currently not applicable to the Company.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during

S.R. BATLIBOI & CO. LLP

Chartered Accountants

the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority during the year.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix) (c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of 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 audit procedures.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year or the previous financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 49 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 40 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of with provisions of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 40 to the financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Viren H. Mehta

Partner

Membership Number: 048749

UDIN: 24048749BKFGXY8214

Place: Mumbai

Date: April 12, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HDFC SECURITIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to of HDFC Securities Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these financial statements was 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 these 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 these 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 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 these financial statements.

Meaning of Internal Financial Controls with reference to these 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 includes 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.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

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 control 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.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Viren H. Mehta**

Partner

Membership Number: 048749

UDIN: 24048749BKFGXY8214

Place of Signature: Mumbai

Date: April 12, 2024

HDFC Securities Limited

Balance Sheet as at 31 March 2024

(₹ in lacs)

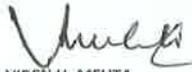
Particulars	Note	As at	
		31 March 2024	31 March 2023
ASSETS			
Financial assets			
Cash and cash equivalents	4	79,811	39,210
Bank balance other than cash & cash equivalents	5	4,57,774	3,19,980
Trade receivables	6	1,28,657	40,727
Loans	7	6,02,524	2,74,757
Investments	8	1,00,533	1,21,361
Other financial assets	9	9,246	3,908
		13,78,545	7,99,943
Non-financial assets			
Current tax assets (Net)		4,156	3,829
Investment property	10	1,341	1,368
Property, Plant and Equipment	11	6,164	8,051
Right-of-use assets	12	6,677	5,487
Capital work-in-progress	11	45	112
Intangible assets under development	11	507	2,743
Other intangible assets	11	8,145	2,908
Other non-financial assets	13	4,727	3,213
		31,762	27,711
TOTAL ASSETS		14,10,307	8,27,654
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		28	20
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,17,425	98,171
Debt securities	15	9,53,251	4,25,783
Borrowings (other than debt securities)	16	-	99,627
Lease liabilities	17	7,778	6,491
Other financial liabilities	18	21,207	12,450
		11,99,689	6,42,542
Non-financial liabilities			
Current tax liabilities (Net)		779	179
Provisions	19	1,501	1,460
Deferred tax liabilities (Net)	35	331	367
Other non-financial liabilities	20	5,083	3,392
		7,694	5,398
Equity			
Equity share capital	21	1,597	1,589
Other equity	22	2,01,327	1,78,125
		2,02,924	1,79,714
TOTAL LIABILITIES AND EQUITY		14,10,307	8,27,654

The accompanying notes form an integral part of this financial statements (1 to 52)

As per our report of even date.

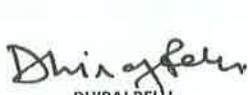
For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

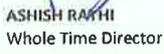
For and on behalf of the Board of Directors of
HDFC Securities Limited
CIN Number: U67120MH2000PLC152193


VIREN H. MEHTA
Partner
Membership No. 048749



Place: Mumbai
Date: 12 April 2024


DHIRAJ RELJI
Managing Director
DIN: 07151265


ASHISH RATHI
Whole Time Director
DIN: 07731968
Place: Mumbai
Date: 12 April 2024


RAVINDERA NAHAR
Chief Financial Officer


MITUL PALANKAR
Company Secretary

8

Statement of Profit and Loss for the year ended 31 March 2024

(₹ In lacs)

Particulars	Note	Year Ended	
		31 March 2024	31 March 2023
Revenue from operations			
Interest income	23	1,03,072	64,765
Dividend income	24	15	16
Rental income	25	221	221
Fees and Commission income	26	1,59,717	1,18,240
Net gain on fair value changes	27	2,498	4,739
Sale of services	28	489	1,146
Total revenue from operations		2,66,012	1,89,127
Other income	29	61	36
Total Income		2,66,073	1,89,163
Expenses			
Finance costs	30	60,050	29,588
Impairment on financial Instruments	31	1,433	2,098
Employee benefits expenses	32	38,452	27,471
Depreciation, amortization and impairment	10,11,12	6,392	5,745
Other expenses	33	32,603	20,071
Total expenses		1,38,930	84,973
Profit before tax		1,27,143	1,04,190
Tax expense	35		
Current tax		32,102	26,334
Deferred tax		(48)	134
Total tax expense		32,054	26,468
Profit for the year		95,089	77,722
Other comprehensive income :			
<u>Items that will not be reclassified to profit or loss:</u>			
Re-measurement gains / (losses) on defined benefit plans		47	(182)
Income tax effect		(12)	46
Other comprehensive income for the year, net of tax		35	(136)
Total comprehensive income for the period, net of tax		95,124	77,586
Earnings per equity share - [Nominal value of the shares ₹10]			
Basic (in ₹)	34	597.41	490.22
Diluted (in ₹)	34	597.35	489.84

The accompanying notes form an integral part of this financial statements (1 to 52)

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of

HDFC Securities Limited

CIN Number: U67120MH2000PLC152193



VIREN H. MEHTA

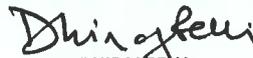
Partner

Membership No. 048749



Place: Mumbai

Date: 12 April 2024



DHIRAJ RELLI

Managing Director

DIN: 07151265



ASHISH RATHI

Whole Time Director

DIN: 07731968

Place: Mumbai

Date: 12 April 2024



RAVINDERA NAHAR

Chief Financial Officer



MITUL PALANKAR

Company Secretary

8

Statement of Changes in Equity for the year ended 31 March 2024

(₹ in lacs)

Equity Share Capital

Equity shares of ₹10 each issued, subscribed and fully paid

	Number of shares	Amount
Balance as at 1 April 2023	1,58,94,600	1,589
Changes in equity share capital during FY 2023-24*	73,820	7
Balance as at 31 March 2024	1,59,68,420	1,597
Equity shares of ₹10 each issued, subscribed and fully paid		
	Number of shares	Amount
Balance as at 1 April 2022	1,58,28,975	1,583
Changes in equity share capital during FY 2022-23*	65,625	6
Balance as at 31 March 2023	1,58,94,600	1,589

*Refer Note # 44 for ESOP

Other Equity

	Share application money	Reserves and Surplus				Total
		Share based payment reserve	Securities premium	General reserve	Capital Contribution from parent	
Balance as at 1 April 2023	-	3,069	17,558	2,500	3,684	1,78,125
Profit For the year	-	-	-	-	-	95,089
Dividends excluding dividend tax	-	-	-	-	-	(81,241)
Other Comprehensive Income	-	-	-	-	-	35
Transfer to Securities Premium from share based payment reserve ^A	-	(1,437)	1,437	-	-	-
Premium on issue of share capital	-	-	4,523	-	-	4,523
Share based payment cost	-	2,905	-	-	208	3,113
Pending allotment	1,683	-	-	-	-	1,683
Balance as at 31 March 2024	1,683	4,537	23,518	2,500	3,892	2,01,327

Other Equity

	Share application money	Reserves and Surplus				Total
		Share based payment reserve	Securities premium	General reserve	Capital Contribution from parent	
Balance as at 1 April 2022	-	2,131	12,760	2,500	3,298	1,64,207
Profit For the year	-	-	-	-	-	77,722
Dividends excluding dividend tax	-	-	-	-	-	(69,791)
Other Comprehensive Income	-	-	-	-	-	(136)
Transfer to Securities Premium from share based payment reserve ^A	-	(1,249)	1,249	-	-	-
Premium on issue of share capital	-	-	3,549	-	-	3,549
Share based payment cost	-	2,186	-	-	386	2,573
Pending allotment	-	-	-	-	-	-
Balance as at 31 March 2023	-	3,069	17,558	2,500	3,684	1,78,125

Refer Note # 22 for description of the purpose of each reserve within equity (as per schedule III)

^A Transfer the option value pertain to option exercise to Securities Premium

As per our report of even date.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



VIREN H. MEHTA
Partner
Membership No. 048749

For and on behalf of the Board of Directors of
HDFC Securities Limited
CIN Number: U67120MH2000PLC152193

Dhiraj Relli
DHIRAJ RELLI
Managing Director
DIN: 07151265

Ravindra Nahar
RAVINDERR NAHAR
Chief Financial Officer

Mitul Palankar
MITUL PALANKAR
Company Secretary

Ashish Raythi
ASHISH RAYTHI
Whole Time Director
DIN: 07731968
Place: Mumbai
Date: 12 April 2024

Place: Mumbai
Date: 12 April 2024

Cash Flow Statement for the year ended 31 March 2024

(₹ in lacs)

Particulars	Year Ended	
	31 March 2024	31 March 2023
Cash Flow from operating activities		
Profit before tax	1,27,143	1,04,190
Adjustments		
Depreciation & Amortization	6,392	5,745
Share based payments to employees	3,113	2,574
Impairment on financial instruments	1,433	2,098
(Gain) / Loss on sale / w/off of Property, Plant & Equipment	(18)	124
Rental income from investment property	(221)	(221)
Change in Fair value of investments	(2,867)	(4,739)
Finance Costs	59,504	29,020
Interest income	(5,357)	(2,659)
Dividend Income	(15)	(16)
	1,89,106	1,36,116
Working capital adjustments:		
Decrease / (Increase) in Other Bank Balance	(1,37,794)	(83,649)
Decrease / (Increase) in trade receivables	(89,360)	7,761
Decrease / (Increase) in loans	(3,27,767)	53,591
Decrease / (Increase) in Other financial assets	(5,338)	(7,089)
Decrease / (Increase) in Other non-financial assets	(1,513)	46
Increase/ (Decrease) in trade payables	1,19,262	(43,878)
Increase/ (Decrease) in other financial liabilities	8,757	2,386
Increase/ (Decrease) in Provisions	88	(860)
Increase/ (Decrease) in Other non-financial liabilities	1,690	(345)
	(2,42,868)	64,079
Income tax paid	(31,829)	(27,114)
Net Cash Flow (used in) / from operating activities (A)	(2,74,697)	36,965
Investing activities		
Purchase of property, plant and equipment, intangible assets	(16,012)	(12,633)
Proceeds from sale of property, plant and equipment, intangible assets	7,428	4,642
Rental income received	221	221
Purchase of Investments	(600)	(92,298)
Proceeds from sale of Investments	24,295	54
Dividend received	15	16
Interest received	5,357	2,659
Net cash flows (used in) / from investing activities (B)	20,704	(97,340)
Financing activities:		
Proceeds from Issuance of equity share capital	8	6
Increase/ (Decrease) from Issuance of other equity	(1,436)	(1,250)
Proceeds from Issuance of securities premium	5,960	4,798
Proceeds from Share Application Money	1,683	-
Increase/ (Decrease) in lease liability	1,287	(445)
Proceeds from Issuance of debt securities	32,47,841	19,35,096
Redemption of debt securities	(28,20,000)	(18,71,600)
Bank Guarantee charges	(426)	(372)
Interest paid -others	(59,078)	(28,648)
Dividend paid, including dividend tax	(81,246)	(69,791)
Net cash flows (used in) / from financing activities (C)	2,94,594	(32,207)



HDFC Securities Limited
Cash Flow Statement for the year ended 31 March 2024

(₹ In lacs)

Particulars	Year Ended	
	31 March 2024	31 March 2023
Net increase in cash and cash equivalents (A+B+C)	40,601	(92,582)
Cash and Cash equivalents at the beginning of the year	39,210	1,31,792
Cash and Cash equivalents at the end of the year	79,811	39,210
Components of cash and cash equivalents		
Cash in hand	-	-
Balances with Banks - In current accounts	79,811	39,210
Deposit accounts	-	-
Cash and Cash equivalents at the end of the year (Refer Note # 4)	79,811	39,210

Notes:

1. Changes in liabilities arising from financing activities

Particulars	Year Ended	
	31 March 2024	31 March 2023
Financing activities:		
Opening balance	5,25,410	4,61,914
Addition/(repayment) during the year	4,18,910	59,613
Amortisation of interest and other charges on borrowings	8,931	3,882
Closing balance	9,53,251	5,25,410

2 The above statement of cash flow has been prepared under the "Indirect method" as set out in IND AS-7 "Statement of cash flow".

As per our report of even date.

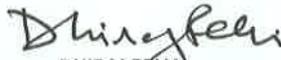
For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
HDFC Securities Limited
CIN Number: U67120MH2000PLC152193


VIREN H. MEHTA
Partner
Membership No. 048749



Place: Mumbai
Date: 12 April 2024


DHIRAJ RELLI
Managing Director
DIN: 07151265


ASHISH RATHI
Whole Time Director
DIN: 07731968
Place: Mumbai
Date: 12 April 2024


RAVINDERA NAHAR
Chief Financial Officer


MITUL PALANKAR
Company Secretary



HDFC Securities Limited
Notes forming part of the Financial Statements
for the year ended 31 March 2024

1 Corporate Information

HDFC Securities Limited (the "Company") is engaged in a single line of business as a provider of broking services to its clients in capital market. The Company is a public company listed in the Debt Market in BSE that is a majority owned subsidiary of HDFC Bank Limited (the "Parent"). The Company is registered as a "Stock Broker" with the Securities and Exchange Board of India ("SEBI") and as a "Corporate Agent" with the Insurance Regulatory and Development Authority ("IRDA"). As a brokerage house, its activities includes different types of services including agency transactions, subscription based services and distribution of financial products.

The Company's registered office is at HDFC Securities Limited, Lodha - I Think Techno Campus, Building - Alpha, 8th Floor, Jolly Board Campus, Kanjurmarg (East), Mumbai 400042, Maharashtra, India

The standalone financial statements for the year ended 31 March, 2024 are being authorised for issue in accordance with a resolution of the Board of Directors on 12 April, 2024.

2 Basis of preparation

2.1. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments, share based payments which are measured at fair values and Net defined benefit (asset)/ liability which are measured at other comprehensive income. The Ind AS financial statements of the company have been prepared in accordance with notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time & other relevant provisions of the Act.

Details of Companies Accounting Policies are included in Note 3

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policies regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share Based payments	Fair value (refer accounting policies regarding financial instruments)

2.4. Use of estimates & Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

I. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

II. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 38.



**Notes forming part of the Financial Statements
for the year ended 31 March 2024**

III. Recognition of deferred tax assets / liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 35.

IV. Recognition and measurement of provision and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

V. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are discussed in note 44.

VI. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2.5. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



8

HDFC Securities Limited
Notes forming part of the Financial Statements
for the year ended 31 March 2024

3 Material accounting policies

3.1. Revenue from Contracts with Customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at transaction price. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

3.2 Interest Income from Margin Trading Funding

Interest is recognised in relation to the loans and in relation to the Margin Trading Funding provided to customers. Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future receipts through expected life of the related financial asset to the gross carrying amount of such financial asset.

3.3 Dividend Income

Dividend income is recognized when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approves the dividend.

3.4 Rental Income

Property given on lease to earn rental income, is classified as "Investment Property" and income is recognised as Rental Income

3.5 Fees and Commission Income

Fees for subscription based services are received periodically via third party but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant after deducting claw back provision as per the agreed terms. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges. Referral fees to IB division of parent company is being received via email confirmation and recorded accordingly in the books of accounts. Third party fees and commission income is relied upon the third party confirmation.

3.6 Net gain on fair value changes

Any realised gain or loss on sale of financial assets (including investments) being classified as fair value through profit or loss ("FVTPL") is recognised as "Net gain or loss on fair value changes" under "Revenue from operations" or "Expenses" respectively in the statement of profit and loss.

Similarly, any differences between the fair values of financial assets (including investments) being classified as fair value through profit or loss ("FVTPL"), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate including realised, the same is recognised as "Net gain on fair value changes" under "Revenue from operations" and if there is a net loss including realised the same is disclosed as "Net loss on fair value changes" under "Expenses" in the statement of Profit and Loss.

3.7 Sale of Services

Revenue from Sale of Services rendered to counter parties are recognised as and when the related performance obligations are satisfied.

3.8 Other Income

In respect of other heads of Income it is accounted to the extent it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made.



**Notes forming part of the Financial Statements
for the year ended 31 March 2024**

3.4 (a) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

ii. Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

iii. Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

<u>Asset</u>	<u>Estimated useful life</u>
Computer Hardware	3 years
Office Equipment	5 years
Furniture and fixtures	10 years
Leasehold Improvements	over the remaining period of the lease or estimated life, whichever is shorter
Electricals	10 years
Office premises	60 years

For the following categories of Property, plant and equipment, the Company has assessed useful life based on technical advice, taking into account the nature of the asset, the estimates usage of asset, the operating condition of asset, anticipated technological changes and utility in the business, as below:

<u>Asset</u>	<u>Estimated useful life</u>
Vehicles	4 years
Network & Servers	4 years

All Property, plant and equipment costing less than ₹ 5,000 individually are fully depreciated in the year of purchase. Useful lives are reviewed at each financial year end and adjusted if required.

iv. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

3.4. (b) Intangible assets

i. Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.



8

HDFC Securities Limited
Notes forming part of the Financial Statements
for the year ended 31 March 2024

ii. Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

iii. Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

<u>Asset</u>	<u>Estimated useful life</u>
Computer software	5 years
Licenses Electronic trading platform (Website)	5 years
Bombay Stock Exchange Membership Card	10 years

All intangible assets costing less than ₹ 5,000 individually are fully amortised in the year of acquisition.

3.5. Investment property

Property given on lease to earn rental income, is classified as "Investment Property" as per requirement of Ind AS 40 "Investment Property". Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, Depreciation investment property has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

<u>Asset</u>	<u>Estimated useful life</u>
Investment Property	60 years

Any gain or loss on disposal of an investment property is recognised in the statement profit and loss.

The fair values of investment property is disclosed in the note 10.

3.6. Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.



**Notes forming part of the Financial Statements
for the year ended 31 March 2024**

3.7. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

I. Recognition and initial measurement

Trade receivables, Loans and deposits are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issued.

II. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at :

- Amortised cost;
- Fair value through profit and loss ('FVTPL');
- Fair value through other comprehensive income ('FVOCI')

Financial assets (other than equity instruments)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

Financial assets measured at amortized cost

A financial asset that meets the following two conditions is measured at amortized cost (net of any written down for impairment) unless the asset is designated at FVTPL under the fair value option.

Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

Cash flow characteristics test: 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.

Financial assets (equity instruments)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

All equity instruments are to be measured at FVTPL.

On initial recognition, a one time irrevocable choice for all equity instruments to designate the respective equity instrument as Fair Value through Other Comprehensive Income (FVOCI). All unrealized gains and losses are recognised in OCI and on disposal such accumulated gains or losses are transferred directly to retained earnings.



8

HDFC Securities Limited

**Notes forming part of the Financial Statements
for the year ended 31 March 2024**

Financial assets measured at Fair Value

A financial asset which is not classified at amortized cost is subsequently measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in Other Comprehensive Income (i.e. fair value through other comprehensive income).

The assets classified in the aforementioned categories are subsequently measured as follows:

a) Financial assets at Fair Value Through Profit or Loss (FVTPL): These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss. Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL.

b) Financial assets at Fair Value Through Other Comprehensive Income (FVOCI): These assets are subsequently measured at fair value. Interest income under the effective interest method, dividends (unless the dividend clearly represents a recovery of part of the cost of the investment), foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial Liabilities

Classification, subsequent measurement and gains and losses

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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

III. Derecognition

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.

The Company enters into transactions whereby it transfers assets recognised on its 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.

IV. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

V. Impairment

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company considers that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.



8

**Notes forming part of the Financial Statements
for the year ended 31 March 2024**

3.8. Employee benefits

i) Short term employee benefits

Short term employee benefits include salaries and short term cash bonus. A liability is recognised for the amount expected to be paid under short-term cash bonus or target based incentives if the Company has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

ii) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. These comprise of contributions to the National pension scheme, employees' provident fund and family pension fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

iii) Defined benefit plans

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined-benefit plan in the nature of gratuity are calculated annually by an independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Remeasurements 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 OCI.

iv) Other long term employee benefits

Compensated absences which accrue to employees and which can be carried to future periods and are expected to be availed in more than twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits.

v) Share-based payment transactions

a. The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.

b. That cost is recognized, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

c. When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

d. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

e. Grants provided by parent Company to the employees at deputation to the Company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as capital contribution from parent.



8

**Notes forming part of the Financial Statements
for the year ended 31 March 2024**

3.9. Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and reflects uncertainty related to income taxes, if there is any. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

3.10. Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: 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 or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Bank Guarantee: Bank Guarantee are been taken from banks and kept with exchanges as a margin to meet the margin obligation.

3.11. Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits and short term deposit with banks with original maturities of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



8

HDFC Securities Limited
Notes forming part of the Financial Statements
for the year ended 31 March 2024

3.12. Leases

The Company as lessee

The Company lease as set classes primarily consist of leases for office premises. The Company assesses whether a contract 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.13. Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions.

Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.14. Earning per Share

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



8

**Notes forming part of the Financial Statements
for the year ended 31 March 2024**

3.15. Segment Reporting

The Company's business is to provide broking services, to its clients, in the capital markets in India. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

3.16. Borrowing Costs

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument with reference to effective interest rate method.

3.17. Dividend Policy

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company.



8

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)**

Note 4: Cash and cash equivalents

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
(i) Cash in hand	-	-
(ii) Balances with Banks*	79,811	39,210
Total	79,811	39,210

* Refer Note # 42 for RPT transactions Bank balances

Note 5: Bank balance other than cash and cash equivalents

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Earmarked accounts (unclaimed dividend balance)	33	27.00
Fixed Deposits with Banks*	4,45,343	3,12,842
Interest accrued on Bank Fixed Deposits*	12,398	7,111
Total	4,57,774	3,19,980

* Refer Note # 42 for RPT transactions Fixed deposits and Accrued Interest on fixed deposit - receivable

Note:

Breakup of Deposits

Fixed deposits under lien with stock exchanges and clearing corporations	2,45,232	1,52,731
Fixed deposits for bank guarantees	45,081	35,081
Fixed deposits for credit facilities	1,45,000	1,25,000
Fixed deposits for security deposit	30	30
Fixed deposits free	10,000	-

Note 6: Trade receivables

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Receivables considered good - secured	1,26,617	37,156
Receivables considered good - unsecured*	2,040	3,571
Receivables which have significant Increase in credit risk	-	-
Receivables - credit impaired	2,425	1,405
Total	1,31,082	42,132
Less: Impairment loss allowance	(2,425)	(1,405)
Total	1,28,657	40,727

Note: Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member

* Refer Note # 42 for RPT transactions Receivables

Trade Receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following year from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Receivables considered good - secured	1,26,617	-	-	-	-	1,26,617
ii) Receivables considered good - unsecured	2,040	-	-	-	-	2,040
iii) Receivables - credit impaired	1,045	811	569	-	-	2,425
Total	1,29,701	811	569	-	-	1,31,082

Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following year from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Receivables considered good - secured	37,156	-	-	-	-	37,156
ii) Receivables considered good - unsecured	3,571	-	-	-	-	3,571
iii) Receivables - credit Impaired	567	392	436	2	6	1,405
Total	41,294	392	436	2	6	42,132



8

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)**

Note 7: Loans

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
A Amortised Cost		
Margin Trading Funding	6,03,332	2,75,153
Less: Allowance for impairment loss	(808)	(396)
Total	6,02,524	2,74,757
I) Secured by:		
i) Secured by tangible assets		
- Collateral in the form of cash, securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding	6,03,332	2,75,153
ii) Unsecured	-	-
Total Gross (i) + (ii)	6,03,332	2,75,153
Less: Allowance for impairment loss	(808)	(396)
Total Net	6,02,524	2,74,757
II) Loans in India		
Public Sector	-	-
Others	6,03,332	2,75,153
Less: Allowance for impairment loss	(808)	(396)
Total Net	6,02,524	2,74,757

Note:

- 1 During the year, the Company has not advanced or loaned or Invested funds (either borrowed funds or share premium or any other sources or kind of funds) 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.
- 2 There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member
- 3 There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 - (a) repayable on demand; or
 - (b) without specifying any terms or period of repayment



8

HDFC Securities Limited

Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

Note 8: Investments

(₹ in lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
At Amortised Cost		
Investments in Government securities		
5.74% GS 2026	493	487
7.38% GS 2027	2,500	2,500
6.54% GS 2032	61,714	61,357
7.26% GS 2032	7,460	7,456
At Fair Value Through profit or loss		
Investments in Mutual funds		
HDFC Liquid Fund Direct - Growth	-	11,202
SBI Magnum Gilt Fund Direct Growth	10,950	10,018
ICICI Prudential Liquid - Direct Plan - Growth	-	11,222
TRUSTMF Liquid Fund Direct Plan - Growth	-	510
Nippon I Gilt Securities Fund Direct Growth	10,904	10,012
Nippon I Eq Hybrid - Segregated Portfolio1 Dir-Div	0	0
Equity and Preference Instruments		
BSE Limited	3,069	526
Smallcase Technologies Private Limited	748	660
Virtuoso Infotech Pvt Ltd	48	75
Borderless Softtech Pvt Ltd	1,213	4,581
Baldor Technologies Pvt Ltd	834	755
9Platforms Technology Pvt Ltd	600	-
Total Gross (A)	1,00,533	1,21,361
Investments in India	1,00,533	1,21,361
Total (B)	1,00,533	1,21,361
Less: Allowance for Impairment loss (C)	-	-
Total Net (D) (A)-(C)	1,00,533	1,21,361

8



HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)****Note 9: Other financial assets**

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Security Deposits with landlord Unsecured, considered good	710	529
Unsecured, Credit impaired Less: Impairment loss	17 (17)	17 (17)
Deposit with Stock Exchanges	1,253	450
Deposit with Bank for Arbitration ^	320	31
Interest accrued but not due	974	962
Unbilled Revenue / Income Receivable	5,989	3,572
Less: Allowance for Impairment loss	-	(1,636)
Total	9,246	3,908

^ Refer Note # 42 for RPT transactions Fixed deposits

Note 10: Investment property

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Investment property	1,341	1,368
Total	1,341	1,368

Reconciliation of carrying amount

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Cost or Deemed cost (gross carrying amount)	1,659	1,659
Accumulated depreciation opening	291	262
Depreciation for the year	27	29
Accumulated depreciation closing	318	291
Carrying amounts	1,341	1,368
Fair value	1,898	2,360

Fair value hierarchy

The fair value measurement for the property to be valued is commercial which is the highest and best use, been categorised as a level 2 fair value based on the inputs to the valuation technique. These inputs include comparable sale instances for Market Approach.

Valuation technique

For the purpose of valuation, the primary valuation methodology used is Market Approach, as the best evidence of fair value is current prices in an active market for similar properties. The market rate for sale/purchase of similar assets is representative of fair values. The property to be valued is at a location where active market is available for similar kind of properties.

8



Note 11: Property, Plant and Equipment
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

(₹ in lacs)

Property, Plant and Equipment for current year	Tangible Assets										Intangible Assets (Other than Internally generated)					
	Leasehold Improvement	Office Premises	Electricals	Furniture & Fixtures	Vehicles	Office Equipments	Computer Hardware, Networks & Servers	Total Tangible Assets (a)	Capital work-in-progress (b)	Total (a) + (b)	Bombay Stock Exchange Card	Computer software	Electronic trading platform (Website)	Total Intangible Assets (a)	Intangible assets under development (b)	Total (a) + (b)
As at 01-04-2023	2,227	1,067	36	386	957	1,116	16,039	21,827	112	21,939	288	9,501	164	9,952	2,743	12,695
Additions during the year	154	-	-	32	512	105	804	1,606	1,539	3,145	-	7,551	-	7,551	5,315	12,866
Deletions/ Adjustments during the year	197	-	-	36	257	98	556	1,144	1,606	2,750	-	-	-	-	7,551	7,551
As at 31-03-2024	2,184	1,067	36	382	1,212	1,123	16,286	22,290	45	22,335	288	17,052	164	17,504	507	18,011
As at 01-04-2023	1,694	185	34	268	304	933	10,361	13,778	-	13,778	288	6,593	164	7,046	-	7,046
Charge for the year	181	18	2	46	271	73	2,818	3,409	-	3,409	-	2,315	-	2,315	-	2,315
Deletions during the year	190	-	-	35	179	98	556	1,059	-	1,059	-	-	-	-	-	-
As at 31-03-2024	1,685	203	36	279	396	907	12,623	16,128	-	16,128	288	8,908	164	9,360	-	9,360
As at 01-04-2023	534	883	2	118	653	183	5,678	8,051	112	8,182	-	2,908	-	2,908	2,743	5,651
As at 31-03-2024	499	864	-	103	816	216	3,664	6,164	45	6,209	-	8,145	-	8,145	507	8,652

Property, Plant and Equipment for previous year	Tangible Assets										Intangible Assets (Other than Internally generated)					
	Leasehold Improvement	Office Premises	Electricals	Furniture & Fixtures	Vehicles	Office Equipments	Computer Hardware, Networks & Servers	Total Tangible Assets (a)	Capital work-in-progress (b)	Total (a) + (b)	Bombay Stock Exchange Card	Computer software	Electronic trading platform (Website)	Total Intangible Assets	Intangible assets under development (b)	Total (a) + (b)
As at 01-04-2022	2,175	1,067	36	352	597	1,023	13,359	18,608	300	18,927	288	7,573	164	8,025	1,151	9,176
As at 01-04-2022	172	-	-	47	504	109	2,856	3,687	3,499	7,186	-	1,927	-	1,927	3,519	5,446
Deletions/ Adjustments during the year	120	-	-	13	143	16	176	468	3,687	4,155	-	-	-	-	1,927	1,927
As at 31-03-2023	2,227	1,067	36	386	957	1,116	16,039	21,827	112	21,958	288	9,501	164	9,952	2,743	12,695
As at 01-04-2022	1,593	167	30	241	242	865	7,888	11,026	-	11,026	288	5,606	164	6,058	-	6,058
Charge for the year	201	16	4	37	183	83	2,647	3,171	-	3,171	-	987	-	987	-	987
Deletions during the year	99	-	-	10	122	16	174	420	-	420	-	-	-	-	-	-
As at 31-03-2023	1,694	185	34	268	304	933	10,361	13,778	-	13,778	288	6,593	164	7,046	-	7,046
As at 01-04-2022	583	901	5	111	355	158	5,471	7,584	300	7,903	-	1,968	-	1,968	1,151	3,119
As at 31-03-2023	534	883	2	118	653	183	5,678	8,051	112	8,182	-	2,908	-	2,908	2,743	5,651

The Company is holding immovable property as disclosed in note no.11. Title deeds of the property are held in the name of the Company.



8

HDFC Securities Limited

Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

Note 12: Right-of-use assets

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Right-of-use assets	6,677	5,487
Total	6,677	5,487

Reconciliation of carrying amount

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Carrying amount opening	5,487	6,147
Addition	2,070	606
Adjustments/deletion	-	-
Depreciation for the year	880	1,266
Carrying amount closing	6,677	5,487

Note 13: Other non-financial assets

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
GST receivable	1,695	854
Prepaid expenses	1,906	1,297
Capital and non capital advances	1,126	1,062
Total	4,727	3,213

8



HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)**

Note 14: Payables

Trade payables

(₹ in lacs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Total outstanding dues of Micro enterprise and small enterprises	28	20
Sub Total	28	20
Total outstanding dues of other than Micro enterprise and small enterprises		
Payable to Exchanges	35,557	-
Payable to Clients	1,81,667	98,095
Payable to Creditors	201	76
Sub Total	2,17,425	98,171
Total	2,17,453	98,191

Trade Payables ageing schedule as at 31 March 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	25	-	-	3	28
ii) Others	2,17,397	7	1	20	2,17,425
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	17	-	-	3	20
ii) Others	98,150	1	1	19	98,171
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Footnote:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

(₹ in lacs)

Particulars	As at	As at
	31 March 2024	31 March 2023
(a) The principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year	28	20
(c) The amount of interest paid, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The 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 this Act	15	16
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	13	4
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-



8

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)**

Note 15: Debt securities

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Unsecured		
Commercial Papers (at amortised cost)	9,44,320	4,21,901
Interest Accrued	8,931	3,882
Total	9,53,251	4,25,783
Debt in India	9,53,251	4,25,783
Debt Outside India	-	-

Note:

As at 31/03/2024

Particulars	Tenure	Rate of Interest
Commercial Papers	55 - 365 Days	8.15% - 8.85%

As at 31/03/2023

Particulars	Tenure	Rate of Interest
Commercial Papers	87 - 91 Days	4.10% - 8.07%

Note

- The Company is not declared willful defaulter by any bank or financial institution or other lender
- During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) 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 Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Note 16: Borrowings (other than debt securities)

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Secured		
Loan repayable on demand - overdraft	-	99,627
Total	-	99,627

Note 17: Lease liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Lease liabilities*	7,778	6,491
Total	7,778	6,491

*Refer Note # 39 Leases

Note 18: Other financial liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Security deposits*	291	89
Employee Benefits Payable	8,193	3,011
Expense Payable	11,708	8,563
Liabilities for capital goods	982	760
Unclaimed dividends	33	27
Total	21,207	12,450

*Security deposits received from Authorised Persons, Referral Partners and for investment property



8

HDFC Securities Limited

Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

Note 19: Provisions

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
(a) Provision for employee benefits		
Provision for gratuity (Note # 38)	155	262
Compensated absences	1,085	937
(b) Others		
Provision For Contingencies	261	261
Total	1,501	1,460

Movement of Provision For Contingencies for the year ended 31 March 2024 comprises of:

Particulars	₹ in lacs			
	Opening	Addition	Deletion	Closing
Dispute with respect to trades executed*	261	-	-	261

Movement of Provision For Contingencies for the year ended 31 March 2023 comprises of:

Particulars	₹ in lacs			
	Opening	Addition	Deletion	Closing
Dispute with respect to trades executed*	247	14	-	261

Note:

*The client disputed trades ongoing with multiple authorities

Note 20: Other non-financial liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Deferred rental income	21	27
Statutory Dues including TDS and PF	4,338	2,873
Income received in advance	723	491
Provision for Fringe Benefit Tax	1	1
Total	5,083	3,392



HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)**

Note 21: Share Capital

The Company has issued equity shares, the details in respect of which are given below:

(₹ in lacs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorised Equity Shares of ₹10 each	2,00,00,000	2,000	2,00,00,000	2,000
Issued, Subscribed & Paid-up Equity Shares of ₹10 each Fully Paid-up	1,59,68,420	1,597	1,58,94,600	1,589
Total	1,59,68,420	1,597	1,58,94,600	1,589

(i) Reconciliation of the number of shares outstanding at the beginning and end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,58,94,600	1,589	1,58,28,975	1,583
Shares issued under ESOP during the year	73,820	7	65,625	6
Shares outstanding at the end of the year	1,59,68,420	1,597	1,58,94,600	1,589

(ii) Rights, preferences and restriction attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(iii) Shares in the Company held by the holding Company

(₹ in lacs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Equity Shares held by HDFC Bank Limited	1,51,90,044	1,519	1,51,90,044	1,519
Total	1,51,90,044	1,519	1,51,90,044	1,519

(iv) Shares in the Company held by shareholders holding more than 5% of the aggregate equity shares in the Company

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
HDFC Bank Limited	1,51,90,044	95.13%	1,51,90,044	95.57%

(v) Shares reserved for issue under options

For details of shares reserved for Issue under the Share based payment plan of the company, please refer note 44

(vi) Shares held by promoters at the end of the year

S No	Promoter Name	No of Shares	% of shares	% Change during the year
1	HDFC Bank Limited	1,51,90,044	95.13%	-0.44%



8

HDFC Securities Limited

**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)**

Note 22: Other Equity

Particulars	(₹ in lacs)	
	As at 31 March 2024	As at 31 March 2023
Share based payment reserve	4,538	3,069
Capital Contribution from parent	3,892	3,684
Securities Premium Account	23,518	17,558
Retained Earnings	1,51,355	1,43,383
Less: Appropriations - Final dividend on equity shares	-	-
Less: Appropriations(-) Interim Dividends**	(81,247)	(69,791)
Profit for the year	95,089	77,722
General Reserve Account	2,500	2,500
Share application money pending allotment	1,683	-
Total	2,01,327	1,78,125

** The Company has paid the interim dividend of ₹510 per share (Interim dividend for FY 22-23 was ₹440 per share) that it was declared during the year ended 31 March 2024

a	Share based payment reserve		
	Opening Balance	3,069	2,131
	Add: Employee Stock Option Cost	2,905	2,186
	Less: Utilised towards equity share option exercised	(1,437)	(1,249)
	<u>Closing Balance</u>	<u>4,538</u>	<u>3,069</u>
b	Capital Contribution from parent		
	Opening Balance	3,684	3,298
	Add: Employee Stock Option Cost	208	386
	<u>Closing Balance</u>	<u>3,892</u>	<u>3,684</u>
c	Securities Premium Account		
	Opening Balance	17,558	12,760
	Add: Addition during the year	5,960	4,798
	<u>Closing Balance</u>	<u>23,518</u>	<u>17,558</u>
d	Retained Earnings		
	Opening Balance	1,51,314	1,43,518
	Add: Net Profit for the year	95,089	77,722
	Less: Interim Dividend	(81,241)	(69,791)
	Less: Re-measurement loss on post employment benefit obligation (net of tax)	35	(136)
	<u>Closing Balance</u>	<u>1,65,197</u>	<u>1,51,314</u>
e	General Reserve Account		
	Opening Balance	2,500	2,500
	Add: Changes during the year	-	-
	<u>Closing Balance</u>	<u>2,500</u>	<u>2,500</u>
f	Share application money pending allotment		
	Opening Balance	-	-
	Add: application money received	1,683	-
	<u>Closing Balance</u>	<u>1,683</u>	<u>-</u>

- a Share based payment reserve
Share based payment expense pertaining to outstanding portion of the option not yet exercised.
- b Capital Contribution from parent
Capital contribution from parent is the parent Company share based payment cost of the employees who are on secondment with Company.
- c Securities Premium Account
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.
- d Retained Earnings
Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders. Retained earnings includes Other comprehensive income consist of remeasurement gains/ losses on defined benefit plans.
- e General Reserve Account
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive Income, Items Included in the general reserve will not be reclassified subsequently to statement of profit and loss.
- f Share application money pending allotment
Share application money received toward right Issue of upto Rs 1000 cr



8

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)****Note 23: Interest Income**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
On Financial Assets measured at Amortised Cost		
Interest on Loans	66,532	47,978
Interest on deposits with Banks*	28,169	13,862
Interest on GSec	5,357	2,659
Other Interest Income	3,014	266
On Financial Assets classified at fair value through profit or loss		
Interest income from investments	-	-
Total	1,03,072	64,765

* Refer Note # 42 for RPT transactions Interest received on Fixed Deposits

Note 24: Dividend Income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Dividend income on investments	15	16
Total	15	16

Note 25: Rental Income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Rental income from operating leases	215	215
Amortisation of deferred rental income	6	6
Total	221	221

Note 26: Fees and Commission Income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Brokerage Income*	1,19,741	80,832
Fee Income*	37,838	35,629
Depository Income	2,138	1,779
Total	1,59,717	1,18,240

(₹ in lacs)

Fee Income includes Commission on sale of insurance products as mentioned below:

Commission on sale of Life Insurance	11,984	4,864
Commission on sale of General Insurance	48	24
Commission on sale of Health Insurance	434	147

* Refer Note # 42 for RPT transactions Rendering of services (including recoveries of expenses)



8

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)****Note 27: Net gain on fair value changes**

Particulars	(₹ in lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Net gain on financial instruments at fair value through profit or loss		
On Investment	2,498	4,739
Total	2,498	4,739
Fair Value changes:		
Realised	3,795	(117)
Unrealised	(1,297)	4,856
Total	2,498	4,739

Note 28: Sale of Services

Particulars	Year ended	
	31 March 2024	31 March 2023
SMS and Value Added Services	489	1,146
Total	489	1,146

Note 29: Other Income

Particulars	Year ended	
	31 March 2024	31 March 2023
Miscellaneous income	61	36
Total	61	36

Note 30: Finance Costs

Particulars	Year ended	
	31 March 2024	31 March 2023
On Financial liabilities measured at Amortised Cost		
Interest Expense	59,618	29,210
Bank Guarantee charges	426	372
Interest expenses on securities deposit	6	6
Total	60,050	29,588



HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)****Note 31: Impairment on financial instruments**

Particulars	(₹ in lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
On Financial instruments measured at Amortised Cost		
Loans	412	(70)
Trade & Other Receivable	1,021	2,168
Total	1,433	2,098

Note 32: Employee Benefits Expenses

Particulars	Year ended	
	31 March 2024	31 March 2023
Salaries and wages	32,516	22,519
Contribution to provident and other Funds	1,354	1,126
Share Based Payments to employees	3,113	2,574
Staff welfare expenses	1,469	1,252
Total	38,452	27,471

Note 33: Other expenses

Particulars	Year ended	
	31 March 2024	31 March 2023
Stamp, registration and trading expenses	8,393	2,568
Legal and Professional charges	3,159	1,905
Director's fees, allowances and expenses	143	77
Repairs and Maintenance	4,450	4,657
Rent, taxes and energy costs	1,922	1,368
Advertisement and publicity	2,697	226
Auditor's fees and expenses (Refer Note 46)	54	39
Insurance	60	59
Printing and stationery	222	171
Expenditure on Corporate Social Responsibility (Refer Note 40)	2,206	1,851
Communication Costs	4,716	3,525
Other expenditure	4,581	3,625
Total	32,603	20,071



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

34 Earning per share

A. Basic Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

Particulars			31 March 2024	31 March 2023
a	Equity shares outstanding at the beginning of the year	Nos.	1,58,94,600	1,58,28,975
b	Add: Weighted average number of equity shares issued during the year	Nos.	22,220	25,558
c	Weighted average number of equity shares for basic earnings per share (a + b)	Nos.	1,59,16,820	1,58,54,533
d	Net profit after tax available for equity shareholders	₹ in lacs	95,089	77,722
e	Basic earnings per share of Rs. 10 each (c/d)	₹	597.41	490.22

B. Diluted Earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

Particulars			31 March 2024	31 March 2023
a	Weighted average number of equity shares for basic earnings per share	Nos.	1,59,16,820	1,58,54,533
b	Add / (Less) : Impact of Diluted ESOPs	Nos.	1,674	12,248
c	Weighted average number of equity shares for diluted earnings per share (a + b)	Nos.	1,59,18,495	1,58,66,781
d	Net profit after tax available for equity shareholders	₹ in lacs	95,089	77,722
e	Diluted earnings per share of Rs. 10 each (c/d)	₹	597.35	489.84

35 Income Tax

A Amounts recognised in profit or loss

₹ in lacs

Particulars	As at 31 March 2024	As at 31 March 2023
Current Tax		
Current Period	32,153	26,334
Tax Relating to prior period	(51)	-
	32,102	26,334
Deferred Tax		
Attributable to –		
Origination and reversal of temporary differences	(48)	134
Reduction in tax rate	-	-
	(48)	134
Tax expense	32,054	26,468

B Income tax recognised in other comprehensive income

As at 31 March 2024

	Before tax	Tax (expense)	Net of tax
Remeasurements of defined benefit liability (asset)	47	(12)	35
Total	47	(12)	35



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

As at 31 March 2023

	Before tax	Tax (expense)	Net of tax
Remeasurements of defined benefit liability (asset)	(182)	46	(136)
Total	(182)	46	(136)

The tax impact for the below purpose has been arrived at by applying the tax rate 25.168% (previous years - 25.168%) being the prevailing tax rates for domestic companies under Income Tax Act, 1961.

C Reconciliation of effective tax rate

(₹ in lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before income tax	1,27,143	1,04,194
Tax using Company's domestic tax rate	31,999	26,223
Effect of		
Corporate social responsibility	555	466
Long Term Capital (Gain) / Loss	(800)	29
Provision for employee benefits	86	39
Provision for Tax Earlier Years	(51)	-
Provisions for Penalty	-	218
MTM (Gain) / Loss on Investments	326	(1,222)
Provision for Doubtful debts	361	528
Deferred Tax	(48)	52
Others (Net)	(375)	133
Total Tax Expense	32,054	26,468

Statutory tax rate is 25.168%. The effective income tax rate for 31 March 2024 is 25.21% (31 March 2023 is 25.40%)

D Recognised deferred tax assets and liabilities

(₹ in lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Temporary differences attributable to:		
Deferred tax liabilities		
Property, plant and equipment	459	280
Fair value of investments	1,586	1,912
Ind AS 116 Impact (Net)	-	-
Amortised Interest on G Sec	140	47
	2,185	2,240
Deferred tax assets		
Provision for employee benefits	312	302
Provision for Doubtful debts	818	869
Provision for Rates and Taxes	166	166
Provision for Contingencies	281	284
Ind AS 116 Impact (Net)	277	252
	1,854	1,873
Net deferred tax (asset) / liability recognised on the balance sheet	331	367

8



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

E The movement in Deferred Tax assets and liabilities during the year

Deferred Tax Assets / Liabilities	OCI	Profit & Loss	Total
As on 1st April 2022			279
Expenses allowed in the year of payment (Gratuity and Compensated Absences)	46	(85)	(39)
Difference between book and tax depreciation	-	54	54
Lease capitalised as per Ind AS 116	-	(451)	(451)
Provision for expected credit loss on trade receivables	-	(524)	(524)
Fair Valuation of Shares and Mutual Funds	-	1,222	1,222
Disallowance u/s 43B	-	(221)	(221)
Others	-	47	47
As on 31st March 2023			367
Expenses allowed in the year of payment (Gratuity and Compensated Absences)	(12)	2	(10)
Difference between book and tax depreciation	-	178	178
Lease capitalised as per Ind AS 116	-	(24)	(24)
Provision for expected credit loss on trade receivables	-	51	51
Fair Valuation of Shares and Mutual Funds	-	(326)	(326)
Disallowance u/s 43B	-	3	3
Others	-	93	93
As on 31st March 2024			331

36 Interim Dividend

During the period, the Company had declared and paid interim dividend_1 of ₹100 per share amounting to ₹15,895 lacs, interim dividend_2 of ₹100 per share amounting to ₹15,895 lacs, interim dividend_3 of ₹100 per share amounting to ₹15,924 lacs and interim dividend_4 of ₹210 per share amounting to ₹33,534 lacs including tax deduction at source

37 Contingent liabilities and Pending capital commitments

Particulars	Note	(₹ in lacs)	
		31 March 2024	31 March 2023
Claims against the Company not acknowledged as debt	1	589	487
Income Tax, Service Tax and GST demands	2	5,825	5,824
Bank Guarantee	4	89,400	69,400
Total		95,814	75,711

Note 1

The claims which are in dispute with the clients and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

Note 2

The statutory dues which are in dispute and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

Above disputed income tax demands not provided for includes:

- ₹2516 lacs Credit of Dividend Distribution Tax Not Given, incorrect levy of interest u/s 234C by Income Tax Department
- ₹1875 lacs Provision for Incentive and Rates & Taxes Written Back. Credit of Dividend Distribution Tax Not Given, incorrect levy of interest u/s 234C by Income Tax Department
- ₹253 lacs Writeback of incentive provision has been wrongly added to income resulting in double taxation by Income Tax Department

Note 3

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

Note 4

Bank Guarantee are been taken from banks and kept with exchanges as a margin to meet the margin obligation.

Pending capital commitments

As at 31 March 2024 the Company has contracts remaining to be executed on capital account and not provided for. The estimated amount of contracts (net of advances) towards property, plant and equipment including intangible assets under development is ₹3,054 lacs (previous year - ₹3,193 lacs).

38 Employee benefits

A Defined Contribution Plan

The Company makes contributions towards National Pension Scheme, provident fund and family pension fund which are defined contribution retirement benefit plans for qualifying employees. The provident fund and family pension are administered by office of the Regional Provident Fund Commissioner.

A sum of ₹978 lacs (Previous Year ₹914 lacs) has been charged to the Statement of Profit and Loss towards National Pension fund and provident fund

The Employee State Insurance Scheme ("ESIC") is a contributory scheme providing medical, sickness, maternity, and disability benefits to the insured employees under the Employees State Insurance Act, 1948.

The charge to the Statement of Profit and Loss is ₹33 lacs (Previous Year ₹51 lacs), which is classified as a part of "Contributions to provident and other funds" [Refer Note No. 32]

B Defined Benefit Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, the employee who has completed five years of service is entitled to specific benefit.

The Company contributes funds to a post retirement defined benefit plan for gratuity, details of which are as follows:

1 Reconciliation of the net defined benefit (asset) liability

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Balance at the beginning of the year	1,637	1,325
Current Service Cost	220	192
Interest Cost	118	80
Actuarial Losses	(6)	175
Benefits paid	(106)	(135)
Balance at the end of the year	1,863	1,637

2 Reconciliation of the present value of plan assets

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Balance at the beginning of the year	1,375	1,091
Expected return on Plan Assets	139	59
Contributions	300	360
Benefits paid	(106)	(135)
Actuarial Gain / (Loss)	-	-
Balance at the end of the year	1,708	1,375

3 Amount to be recognised in Balance Sheet and movement in net liability

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Present Value of Funded Obligation	1,863	1,637
Fair Value of Plan Assets	1,708	1,375
Net Liability Recognised in the Balance Sheet	155	262

8



HDFC Securitiles Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

4 Expenses recognised in the Income Statement (₹ in lacs)

Particulars	31 March 2024	31 March 2023
Current Service Cost	220	192
Past Service Cost		
Loss / (Gain) on settlement		
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	19	14
Net gratuity expenses recognized in the Statement of Profit and Loss	239	206

5 Remeasurements recognised in other comprehensive income

Particulars	31 March 2024	31 March 2023
Actuarial (gains) / losses		
- change in demographic assumptions	25	(34)
- change in financial assumptions	(26)	(46)
- experience variance (i.e. Actual experience vs assumptions)	(6)	256
Return on plan assets, excluding amount recognised in net interest expense	(40)	6
Total	(47)	182

6 Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	31 March 2024	31 March 2023
Funds managed by Insurer	100	100
Grand Total	100	100

7 Summary of Actuarial Assumptions

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitments, size, funding requirements and expense.

Particulars	31 March 2024	31 March 2023
Discount Rate	7.15%	7.20%
Salary Escalation Rate	10.48%	10.78%
Mortality	Indian Assured Lives Mortality tables (2012-14)	Indian Assured Lives Mortality tables (2012-14)

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

8



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

8 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March 2024		31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	1,981	1,756	1,738	1,547
Salary Growth Rate (1% movement)	1,759	1,976	1,549	1,734
Attrition rate (50% movement)	2,116	1,732	1,881	1,521
Mortality Rate (10% movement)	1,864	1,862	1,638	1,637

9 Expected Contribution during the next annual reporting period

The Employer's best estimate of the contributions expected to be paid to the plan during the next year – ₹381 lacs (previous year – ₹435 lacs).

C Other long term employee benefits

A sum of ₹148 lacs (Previous Year ₹128 lacs) has been charged to the Statement of Profit and Loss towards Leave encashment [Refer Note No. 32]

39 Leases

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.

Company as a lessee

The Company's lease asset classes primarily consist of leases for premises and leasehold improvements. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than ₹1,50,000). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised ₹NIL towards short-term lease and ₹NIL towards low value assets during the year ended 31 March 2024. The Company has recognised ₹1,088 lacs towards the leases pertaining to the locations which are not separately identifiable units.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the Company. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments of ₹1,305 lacs have been classified as financing cash flows.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. The Company has recognised ₹NIL towards income from sub-lease.

8



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

The details of Right to use Asset of the Company are as follows:

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2024		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2023	5,487	-	5,487
Add: Additions during the period	2,070	-	2,070
Less: Deductions during the period	-	-	-
Less: Depreciation	(880)	-	(880)
Total	6,677	-	6,677

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2023		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2022	6,147	-	6,147
Add: Additions during the period	606	-	606
Less: Deductions during the period	-	-	-
Less: Depreciation	(1,266)	-	(1,266)
Total	5,487	-	5,487

Following is the movement in lease liabilities for the year:

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2024		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2023	6,491	-	6,491
Additions during the period	2,052	-	2,052
Deductions during the period	-	-	-
Interest Expense	540	-	540
Less: Lease Payments	(1,305)	-	(1,305)
Total	7,778	-	7,778

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2023		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2022	6,936	-	6,936
Additions during the period	570	-	570
Deductions during the period	-	-	-
Interest Expense	562	-	562
Less: Lease Payments	(1,577)	-	(1,577)
Total	6,491	-	6,491



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

Following is maturity analysis of contractual undiscounted cash flows

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Less than 1 year	2,215	1,878
One to five years	6,730	5,434
More than five years	1,157	1,148
Total	10,102	8,460

40 Corporate Social Responsibility (CSR)

As per Sec 135 of Companies Act, 2013 a company meeting the activity threshold needs to spend 2% of its average net profit for the immediately preceding three years on CSR activities. The Company initiated a number of programs in the areas of Education, Healthcare, Promotion of national sports, olympics including Paralympics and Eradicating hunger.

11 reputable nonprofit organizations from across India, including those in Maharashtra, Gujarat, Delhi, Tamil Nadu, Jammu & Kashmir and Uttarakhand, have partnered with the company.

Gross amount required to be spent by the Company during the year is Rs. 2,206 lacs (previous year Rs. 1,851 lacs)

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Amount required to be spent by the company during the year	2,206	1,851
Amount of expenditure incurred	2,206	1,851
Amount available for set off from preceding financial years	-	-
Amount required to be setoff for the financial year	-	-
Shortfall at the end of the year	-	-
Details of unspent CSR amount for the preceding three financial years	-	-
Reason for shortfall	-	-
Nature of CSR activities	01 Education 02 Medical Assistance 03 Health & sanitation 04 Sports 05 Skill development	01 Education 02 Medical Assistance 03 Health & sanitation 04 Sports 05 Skill development
Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	-	-

41 Segment Reporting

The Company's business is to provide brokerage services to its clients in the capital markets within India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments as per the Ind AS on Operating Segment (Ind AS 108), specified under the Companies Act, 2013. The necessary information to report the revenues from the external customers for each product and service, or each group of similar products and service is not available and the cost to develop it would be excessive. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith. Similarly, the geographical information related to the revenue from the external customers attributed to the entity's country of domicile and to all other foreign countries in total is not available and the cost to develop it would be excessive. No single customer accounts for the revenue, which is equal or more than ten percent of the total revenue of the entity, hence no such segment could be identified.



8

HDFC Securities Limited**Notes forming part of the Financial Statements
(For the year ended 31 March 2024)****42 Related Party Disclosures**

A. Parent Company	HDFC Bank Limited
Investor exerting significant influence	HDFC Limited (till 30 June 2023)
B. List of Key Management Personnel (KMP):	
Neeraj Swaroop	Chairman (w.e.f. 13 July 2023)
Dhiraj Relli	Managing Director
Ashish Rathi	Whole-Time Director
Amla Samanta	Non-executive Independent Director
Samir Bhatia	Non-executive Independent Director
Malay Patel	Non-executive Independent Director
Tarun Balram	Non-executive Independent Director (w.e.f. 08 June 2022)
Arvind Vohra	Nominee Director (w.e.f. 09 January 2023)
Ravindera Nahar	Chief Financial Officer (w.e.f. 09 December 2023)
Kunal Sanghavi	Chief Financial Officer (till 09 December 2023)
Mitul Palankar	Company Secretary
C. Employment Benefits Plan	Employees Group Gratuity cum Life Assurance Scheme

D. List of fellow subsidiaries

HDB Financial Services Limited
HDFC Ergo General Insurance Company Limited
HDFC Life Insurance Company Limited
HDFC Asset Management Company Limited
HDFC Credila Financial Services Limited
HDFC Education and Development Services Pvt. Ltd.
HDFC Sales Pvt. Ltd.
HDFC Capital Advisors Ltd.
Griha Pte Ltd. Singapore
HDFC AMC International (IFSC) Limited
HDFC Trustee Co. Ltd.
Griha Investments Mauritius
HDFC International Life and Re Company Limited
HDFC Pension Management Co. Ltd.
HDB Employee Welfare Trust



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

E. List of KMP & Directors of Parent Company

Sashidhar Jagdishan	Managing Director and Chief Executive Officer
Kaizad Bharucha	Executive Director
Renu Sud Karnad	Additional Executive Director
Malay Patel	Independent Director (till 30 March 2023)
M. D. Ranganath	Independent Director
Umesh Chandra Sarangi	Independent Director (till 29 February 2024)
Sanjiv Sachar	Independent Director (till 20 July 2023)
Sandeep Parekh	Independent Director
Dr. (Ms.) Sunita Maheshwari	Additional Independent Director
Atanu Chakraborty	Non-Executive Part Time Chairman and Independent Director
Lily Vadera	Additional Independent Director
Bhaves Zaveri	Executive Director (w.e.f 19 April 2023)
Keki Mistry	Non - Executive Director (w.e.f 30 June 2023)
V S Rangan	Executive Director (w.e.f 23 November 2023)
Harsh Kumar Bhanwala	Additional Independent Director (w.e.f 25 January 2024)
Santosh Haldankar	Company Secretary
Srinivasan Vaidyanathan	Chief Financial Officer

Relatives of Key Managerial Personnel or Directors

Vidyut Samanta	Son of Amla Samanta
Archana Relli	Spouse of Dhiraj Relli
Aditya Samanta	Son of Amla Samanta
Vimal Relli	Brother of Dhiraj Relli
Lalita Rathi	Mother of Ashish Rathi
Dr. Arjun Kalyanpur	Spouse of Mrs. (Dr.) Sunita Maheshwari
Rupali Vohra	Spouse of Arvind Vohra
Ashim Samanta	Spouse of Amla Samanta
Prajwal Haldankar	Son of Santosh Haldankar
Kritya Relli	Daughter of Dhiraj Relli
Poonam Rathi	Spouse of Ashish Rathi
Sanjana Haldankar	Spouse of Santosh Haldankar
Bhakti Prakash Sarangi	Son of Umesh Chandra Sarangi
Selina Vohra	Daughter of Arvind Vohra
Ashok Sud	Brother of Renu Karnad
Mrs. Neela Bhatia	Spouse of Samir Bhatia
Tinaz K Mistry	Daughter of Keki Mistry
Arnaaz K Mistry	Spouse of Keki Mistry
Shakti Prakash Sarangi	Son of Umesh Chandra Sarangi
Bhakti Zaveri	Daughter of Bhaves Zaveri
Akash Metawala	Daughter's spouse of Bhaves Zaveri
Varsha Nahar	Spouse of Ravindera Nahar
Ashish Rathi HUF	HUF of Ashish Rathi
Uma Talreja	Spouse of Samir Bhatia
Niharika Zaveri	Daughter of Bhaves Zaveri



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

F. Transactions with related parties

₹ in lacs

I. Parent Company	HDFC Bank	
	31 March 2024	31 March 2023
<u>Transactions during the year :</u>		
Placement of fixed deposits	3,00,000	20,014
Redemption of fixed deposits	2,70,000	10,000
Franking Advance given	-	-
Rendering of services (including recoveries of expenses)	2,496	2,452
Receiving of services (including payment of expenses)	3,705	4,177
Interest received on Fixed Deposits	1,453	476
Interest paid*	0	-
Dividend Paid	77,469	66,836
Purchase of Government Securities	-	57,889
<u>Balances Outstanding :</u>		
Receivables	761	99
Advances / (Payables)*	0	0
Bank balances	79,707	29,173
Fixed deposits	30,350	10,061
Accrued interest on fixed deposit – receivable	764	317
Accrued expenses	550	1,496
Advances	44	61
Deposit received	107	107
Deposit payable	69	80

₹ in lacs

II. Investor exerting significant influence	HDFC Bank (erstwhile HDFC Limited)	
	31 March 2024	31 March 2023
<u>Transactions during the year :</u>		
Rendering of services (Including recoveries of expenses)	57	389
<u>Balances Outstanding :</u>		
Receivables*	0	12

₹ in lacs

III. Fellow subsidiaries	HDB Financial Services Limited	
	31 March 2024	31 March 2023
<u>Transactions during the year :</u>		
Rendering of services (Including recoveries of expenses)	-	-
Receiving of services (Including payment of expenses)	20	10
<u>Balances Outstanding :</u>		
Receivables*	0	0
Accrued expenses	12	3

* Less than ₹ 50,000 /-



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

₹ in lacs

III. Fellow subsidiaries	HDFC Asset Management Company Ltd	
	31 March 2024	31 March 2023
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	178	128
Balances Outstanding :		
Receivables	1	29
	HDFC Credila Financial Services Pvt. Ltd.	
	31 March 2024	31 March 2023
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	-	-
Balances Outstanding :		
Receivables	-	2
	HDFC Ergo General Insurance Co. Ltd.	
	31 March 2024	31 March 2023
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	51	22
Receiving of services (Including payment of expenses)	15	22
Balances Outstanding :		
Receivables	19	3
Payables	(22)	(20)
Accrued Expenses	-	-
	HDFC Life Insurance Company Limited	
	31 March 2024	31 March 2023
Transactions during the year :		
Rendering of services (Including recoveries of expenses)	10,702	7,113
Receiving of services (Including payment of expenses)	172	197
Balances Outstanding :		
Receivables	2,037	1,350
Payables	2	(26)
Accrued Expenses	69	113

* Less than ₹ 50,000 /-

8



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

₹ in lacs

<u>KMP, Directors, Their Relatives and Entities in which KMP are interested</u>	31 March 2024	31 March 2023
<u>Nature of Transaction</u>		
Rendering of services (including recoveries of expenses)	47	23
Receiving of services (including reimbursement)	79	13
Sitting Fees Paid	103	77
Managerial Remuneration & Perquisites Paid	546	648
Dividend Paid	578	162
ESOP - Number of options outstanding (nos)	87,250	49,850

Note:

1. The future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, accordingly the amount pertaining to KMP's is not ascertainable separately, and not included above.
2. Managerial remuneration includes ESOP exercise during the year, bonus on accrual basis.
3. The relatives having transactions during the year (and previous year) have been shown in the list above

8



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

43 Financial instruments

A. Financial Instruments – Fair values

1. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

The carrying value and fair value of financial instruments by categories as of 31 March 2024 are as follows: (₹ in lacs)

31 March 2024	Carrying amount			Fair value			
	FVTPL	Amortised cost	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets							
<u>Financial assets measured at fair value</u>							
Investments	28,365	72,168	-	3,069	21,853	3,443	28,365
<u>Financial assets not measured at fair value</u>							
Cash and cash equivalents		79,811	-	-	-	-	-
Bank Balance other than above		4,57,774	-	-	-	-	-
Trade Receivables		1,28,657	-	-	-	-	-
Loans		6,02,524	-	-	-	-	-
Other Financial Assets		9,246	-	-	-	-	-
Total	28,365	13,50,180	-	3,069	21,853	3,443	28,365
Financial liabilities							
<u>Financial liabilities not measured at fair value</u>							
Trade Payables		2,17,453	-	-	-	-	-
Debt Securities		9,53,251	-	-	-	-	-
Borrowings (other than debt securities)		-	-	-	-	-	-
Lease Liability		7,778	-	-	-	-	-
Other financial liabilities		21,207	-	-	-	-	-
Total	-	11,99,689	-	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2023 are as follows:

(₹ in lacs)

31 March 2023	Carrying amount			Fair value			
	FVTPL	Amortised cost	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets							
<u>Financial assets measured at fair value</u>							
Investments	49,561	71,800	-	526	42,963	6,072	49,561
<u>Financial assets not measured at fair value</u>							
Cash and cash equivalents		39,210	-	-	-	-	-
Bank Balance other than above		3,19,980	-	-	-	-	-
Trade Receivables		40,727	-	-	-	-	-
Loans		2,74,757	-	-	-	-	-
Other Financial Assets		3,908	-	-	-	-	-
Total	49,561	7,50,382	-	526	42,963	6,072	49,561
Financial liabilities							
<u>Financial liabilities not measured at fair value</u>							
Trade Payables	-	98,191	-	-	-	-	-
Debt Securities		4,25,783	-	-	-	-	-
Borrowings (other than debt securities)		99,627	-	-	-	-	-
Lease Liability		6,491	-	-	-	-	-
Other financial liabilities	-	12,450	-	-	-	-	-
Total	-	6,42,542	-	-	-	-	-



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

2. Fair Value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs 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).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

3. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments includes investment in equity investment valued at quoted closing price on stock exchange / other basis based on materiality.

Transfers between Levels 1, 2 and 3

There were no transfers between level 1, 2 and 3.

3. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

B. Financial risk management

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

a. Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units & Government Securities, term deposits, trade receivables and security deposits.

Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors

Investments include investment in liquid mutual fund units that are marketable securities of eligible financial institutions for a specified time period with high credit rating given by domestic credit rating agencies.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

8



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

Expected Credit Loss (ECL):

For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered.

For arriving at the ECL, the Company follows ECL model as approved by board.

3. Staging Definition:-

For the purpose of the computation of Expected credit losses, three stages have been defined as below:-

Stage 1:- Client having open positions in MTF (Margin Trading Funding).

Stage 2:- The dues /debits , post position square off , which are outstanding for more than 2 days but less than 30 days.

Stage 3:- The dues /debits, post position square off, which are outstanding for more than 30 days.

Computation of Expected Credit Losses for MTF:-

As per Indian Accounting Standard (Ind AS) 109 on Financial Instruments, an entity shall recognise a loss allowance for expected credit losses on a financial asset and shall measure the loss allowance for a financial instrument.

Based on the above, expected credit loss has been computed taking into consideration the the probability of the borrower default (PD), expected exposure at the time when the borrower defaults (EAD), the expected loss as a percentage of the EAD, conditional on the borrower defaulting LGD (Loss given default).

Expected Credit loss model has been used to recognize the provision (or credit losses) based on expected losses at client level having open position in MTF as on reporting date. The expected loss at client level is calculated as follows:

$$EL = PD \times LGD \times EAD$$

The final aggregate amount is computed to arrive at Final Expected Credit Loss (ECL) across HSL.

The fundamental of the above parameters used are as follows:-

PD: the probability of the borrower default

EAD: expected exposure at the time when the borrower defaults (Exposure at default)

LGD: the expected loss as a percentage of the EAD, conditional on the borrower defaulting (Loss given default)

EL: Expected loss

ECL for Trade Receivables (broking clients) :-

For Trade Receivables (Equity and Derivative Products), current policy of providing 100% for all outstanding debits where the dues are not recoverable (uncovered position after square off), or, is outstanding for more than 90 days is being followed.

ECL for Trade Receivable (Third Party Products Receivables):-

For Trade receivables of Third Party Products, any amount which is not received within 90 days is 100% provided for, except for the receivables which pertain to any HDFC group company, or to any Exchange to regulator related receivables.

ECL on ESOP Funding:

All the clients to whom ESOP funding is offered are the trading clients only. Similar treatment of MTF as described above, will be given to the outstanding amount on ESOP funding clients also.



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

The movement in expected credit loss

(₹ in lacs)

Particulars	Carrying amount	
	31 March 2024	31 March 2023
Opening balance	3,698	1,600
Impairment loss recognised	1,433	2,098
Impairment loss (reversed)	(1,636)	-
Closing balance	3,495	3,698

Ageing of Margin Trading Funding and Trade Receivable as at 31 March 2024

(₹ in lacs)

Particulars	Carrying Amount	Less than 6 months	6 months-1year	1-2 years	2-3 years	more than 3years	total
Margin Trading Funding	6,02,524	5,43,692	56,244	2,327	261	-	6,02,524
i) Undisputed -Trade Receivables - considered good	1,28,657	1,28,657	-	-	-	-	1,28,657
ii) Undisputed -Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed -Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed -Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed -Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed -Trade Receivables -credit impaired	-	-	-	-	-	-	-

Note: More than 90 days or disputed amount has been considered as provision for doubtful debts



(Handwritten mark)

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

Ageing of Margin Trading Funding and Trade Receivable as at 31 March 2023

(₹ in lacs)

Particulars	Carrying Amount	Less than 6 months	6 months-1year	1-2 years	2-3 years	more than 3years	total
Margin Trading Funding	2,74,757	2,15,999	52,624	6,134	-	-	2,74,757
i) Undisputed -Trade Receivables - considered good	40,727	40,727	-	-	-	-	40,727
ii) Undisputed -Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed -Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed -Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed -Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed -Trade Receivables -credit impaired	-	-	-	-	-	-	-

Note: More than 90 days or disputed amount has been considered as provision for doubtful debts

b. Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The following are the remaining contractual maturities of financial liabilities as on 31 March 2024

Financial Liabilities

(₹ in lacs)

Particulars	Carrying Amount	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
total outstanding dues of micro enterprises and small enterprises	28	25	-	-	3	28
Payable to Exchanges	35,557	35,557	-	-	-	35,557
Payable to Clients	1,81,667	1,81,667	-	-	-	1,81,667
Payable to Creditors	201	173	7	1	20	201
Debt Securities (future interest obligation)	9,53,251	9,65,500	-	-	-	9,65,500
Borrowings (other than debt securities)	-	-	-	-	-	-
Lease Liabilities (undiscounted)	7,778	2,216	2,286	2,048	3,553	10,102
Other financial liabilities	21,207	20,916	292	-	-	21,207
Total	11,99,689	12,06,053	2,585	2,049	3,576	12,14,262



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

The following are the remaining contractual maturities of financial liabilities as on 31 March 2023

Particulars	Carrying Amount					(₹ in lacs)	
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
total outstanding dues of micro enterprises and small enterprises	20	17	-	-	3	20	
Payable to Exchanges	-	-	-	-	-	-	
Payable to Clients	98,095	98,095	-	-	-	98,095	
Payable to Creditors	76	55	1	1	19	76	
Debt Securities (future interest obligation)	4,25,783	4,30,000	-	-	-	4,30,000	
Borrowings (other than debt securities)	99,627	99,627	-	-	-	99,627	
Lease Liabilities (undiscounted)	6,491	1,878	1,617	1,641	3,325	8,460	
Other financial liabilities	12,450	12,361	89	-	-	12,450	
Total	6,42,542	6,42,033	1,707	1,642	3,347	6,48,728	

c. Market risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have any foreign currency exposure as at each reporting date. Accordingly, foreign currency risk disclosure is not applicable.

ii. Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from borrowings, interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets. All the borrowings of the company are fixed interest rate bearing instrument and hence there is no impact of movement in interest rate.

iii. Market price risks

The Company is exposed to market price risk, which arises from FVTPL investment in mutual funds. The management monitors the proportion of mutual funds investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.



8

44 Share-based payment arrangements:

A. Description of share-based payment arrangements

I. Share option plans (Equity Settled)

On 21 June 2019, 14 December 2020, 16 September 2021, 13 January 2022, 13 October 2022, 30 August 2023 and on 12 January 2024 the Company has granted share options, that entitles the employees and the key management personnel (KMP) to purchase the shares in the Company. Holders of the vested stock options are entitled to purchase shares at the exercise price of the shares. The key terms and conditions related to the grants under the plan are as follows; and all options are to be settled by the delivery of shares.

Grant date / employees entitled	Number of Instruments	Vesting conditions	Method of settlement	Contractual life of options
Options granted to employees and KMP on 21-06-2019	94,500	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Six years
Options granted to employees and KMP on 14-12-2020	1,67,500	The options granted to the KMPs and employees shall vest in seven years from the date of Grant.	Equity settled	Seven years
Options granted to employees and KMP on 16-09-2021	67,500	The options granted to the KMPs and employees shall vest in seven years from the date of Grant.	Equity settled	Seven years
Options granted to employees and KMP on 13-01-2022	43,000	The options granted to the KMPs and employees shall vest in seven years from the date of Grant.	Equity settled	Seven years
Options granted to employees and KMP on 13-10-2022	1,18,300	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Six years
Options granted to employees and KMP on 30-08-2023	3,60,500	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Six years
Options granted to employees and KMP on 12-01-2024	15,200	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Six years
Total share options granted till date	8,66,500			

8



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)
B. Measurement of fair values

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using Black - Scholes Option pricing model.
The fair value of the options and the Inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
	Share option plan for KMPs and employees	
Fair value of options as on grant date (₹)	1201.03 - 1575.44	1529.63 - 1849.18
Share price as on grant date (₹)	5909	6918
Exercise price (₹)	5909	6918
Expected volatility	40.12% to 46.54%	44.87% to 49.25%
Expected life (expected weighted average life)	3 to 5 years	3 to 5 years
Expected dividends	7.45%	7.91%
Risk-free interest rate (based on government bonds)	7.02% to 7.04%	7.05% to 7.33%
Method used to determine expected volatility	The expected volatility is based on price volatility of listed companies in same or similar industry.	

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
(A) Equity-settled Share-based payments:				
Options outstanding as at the beginning of the year	2,95,625	₹ 6,456	2,53,500	₹ 5,979
Add: Options granted during the year	3,75,700	₹ 5,909	1,18,300	₹ 6,918
Less: Options lapsed / forfeited during the year	35,575	₹ 6,693	10,550	₹ 6,639
Less: Options exercised during the year	73,820	₹ 6,137	65,625	₹ 5,418
Options outstanding as at the year end	5,61,930	₹ 6,117	2,95,625	₹ 6,456
Options exercisable as at the year end	46,875	₹ 6,412	32,250	₹ 6,105

D. Expense recognised in the statement of profit and loss

Refer note 32 on employee benefit expense, for information on expense charged to the Statement of profit and loss on account of share based payments.



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

45 Revenue from contract with customers

The Company derives revenue primarily from the share broking business. Its other major revenue sources are the distribution income and treasury income.

Disaggregate revenue Information

1 The table below presents disaggregate revenues from contracts with customers for the year ended 31 March 2024 by type of revenue segregated into its operating segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

Broking Income - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract.

Distribution Income - Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant after deducting claw back amount as per the agreed terms. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

Interest Income - Interest is earned on delayed payments from clients and amounts funded to them. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

2 Disaggregate revenue information:

(₹ In lacs)

Particulars	31 March 2024	31 March 2023
Broking	1,19,741	80,832
Distribution	37,838	35,629
Interest on Loan	66,532	47,978
Interest income	36,540	16,787
Total	2,60,651	1,81,226

3 Nature, timing of satisfaction of the performance obligation and significant payment terms.

Income from services rendered as a broker is recognised upon rendering of the services.

Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.

Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

✓



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

46 Auditors Remuneration

Particulars	₹ in lacs	
	31 March 2024	31 March 2023
Auditor	52	37
For other services	-	-
For reimbursement of expenses	2	2
Total	54	39

47 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Particulars	₹ in lacs	
	31 March 2024	31 March 2023
Borrowings including debt securities	9,53,251	5,25,410
Less: cash and cash equivalents (Note 4)	-79,811	-39,210
Net debt (i)	8,73,440	4,86,200
Total equity (ii)	2,02,924	1,79,714
Total capital (iii = i + ii)	10,76,364	6,65,914
Gearing ratio (i)/(iii)	81%	73%

48 Foreign Currency Transaction

a) Expenditure in Foreign Currency		
Particulars	₹ in lacs	
	31 March 2024	31 March 2023
Cloud Charges	357	-
Chat Integration and Information Services	182	128
Total	539	128

b) Earnings in Foreign Currency		
Particulars	₹ in lacs	
	31 March 2024	31 March 2023
Referral fees for Global Investing	65	NIL
Research Information Services	8	17
Total	73	17



8

HDFC Securitiles Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

49 Key Ratios

Particulars	31 March 2024	31 March 2023	Variance %	Remarks
1 Current Ratio	1.07	1.12	-5%	
2 Debt-Equity Ratio (times)	4.70	2.92	61%	Debt has been increased to earn the Interest on loan
3 Debt service coverage ratio (times)	0.19	0.25	-24%	
4 Interest Services Coverage Ratio	3.12	4.52	-31%	
5 Net Worth (₹ in lacs)	2,02,924	1,79,714	13%	
6 Net Profit after tax (₹ in lacs)	95,089	77,722	22%	
7 Earnings per share (Basic) (₹)	597.41	490.22	22%	
8 Earnings per share (Diluted) (₹)	597.35	489.84	22%	
9 Outstanding redeemable preference shares	Not Applicable	Not Applicable	-	
10 Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable	-	
11 Long Term Debt to Working Capital Ratio	Nil	Nil	-	
12 Bad Debts to Accounts Receivables Ratio	Nil	Nil	-	
13 Current Liability Ratio	0.99	0.99	0%	
14 Total Debts to Total Assets	0.68	0.63	6%	
15 Debt Turnover ratio	2.07	4.64	-55%	Churning has been Improved on trade receivable
16 Operating profit ratio	48%	55%	-13%	
17 Net profit margin	36%	41%	-13%	

Explanation

1 Current Ratio	Current Assets / Current Liabilities
2 Debt-Equity Ratio (times)	Debt Securities + Borrowings (other than debt securities) / Equity (Equity Share Capital + Other Equity)
3 Debt service coverage ratio	Operating profit i.e after adjusting non-cash operating expenses like depreciation and other amortizations Interest & other adjustments like gain on disposal of property, plant and equipment, etc / Interest (notional Interest not included) + Principal (actual obligation)
4 Interest Services Coverage Ratio	Profit before interest (notional interest not included) and tax / Interest expenses (notional interest not included)
5 Net Worth	Equity + Other Equity
6 Net Profit after tax	Total Income - Total Expense - Total Tax Expense
7 Earnings per share (Basic)	Weighted average number of equity shares for basic earnings per share / Net profit after tax
8 Earnings per share (Diluted)	Weighted average number of equity shares for diluted earnings per share / Net profit after tax
9 Outstanding redeemable preference shares	Not Applicable
10 Capital redemption / Debenture redemption reserve	Not Applicable
11 Long Term Debt to Working Capital Ratio	Company do not have any Long Term Debt and hence the ratio is Nil
12 Bad Debts to Accounts Receivables Ratio	Company do not have any Bad Debts (Expected credit loss provided) and hence the ratio is Nil
13 Current Liability Ratio	Current Liability / Total Liability
14 Total Debts to Total Assets	Debt Securities + Borrowings (other than debt securities) / Total Assets
15 Debt Turnover ratio	Revenue From Operations / Trade Receivable
16 Operating profit ratio	Profit before tax / Revenue From Operations * 100
17 Net profit Margin	Profit for the year / Revenue From Operations * 100



8

HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

50 Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	(₹ in lacs)		
	31 March 2024	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	79,811	79,811	-
Bank Balance other than (4) above	4,57,774	4,50,240	7,534
Trade Receivables	1,28,657	1,28,657	-
Loans	6,02,524	6,02,524	-
Investments	1,00,533	21,853	78,680
Other Financial Assets	9,246	1,357	7,889
	13,78,545	12,84,442	94,103
Non-Financial Assets			
Current tax assets (Net)	4,156	-	4,156
Deferred tax Assets (Net)	-	-	-
Investment Property	1,341	-	1,341
Property, Plant and Equipment	6,164	-	6,164
Right-of-use assets	6,677	-	6,677
Capital work-in-progress	45	33	12
Intangible assets under development	507	130	377
Other Intangible assets	8,145	-	8,145
Other non-financial assets	4,727	1,814	2,913
	31,762	1,976	29,786
TOTAL ASSETS	14,10,307	12,86,418	1,23,889
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	28	28	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	2,17,425	2,17,425	-
Debt Securities	9,53,251	9,53,251	-
Borrowings (other than debt securities)	-	-	-
Lease Liabilities	7,778	2,216	5,563
Other financial liabilities	21,207	20,916	292
	11,99,689	11,93,835	5,854
Non-Financial Liabilities			
Current tax liabilities (Net)	779	779	-
Provisions	1,501	1,346	155
Deferred tax liabilities (Net)	331	-	331
Other non-financial liabilities	5,083	5,062	21
	7,693	7,187	506
Total Liabilities	12,07,382	12,01,022	6,360
Net	2,02,924	85,396	1,17,528



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

(₹ in lacs)

Particulars	31 March 2023	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	39,210	39,210	-
Bank Balance other than (4) above	3,19,980	3,18,851	1,129
Trade Receivables	40,727	40,727	-
Loans	2,74,757	2,74,757	-
Investments	1,21,361	42,964	78,397
Other Financial Assets	3,908	1,066	2,842
	7,99,943	7,17,575	82,368
Non-Financial Assets			
Current tax assets (Net)	3,829	-	3,829
Investment Property	1,368	-	1,368
Property, Plant and Equipment	8,051	-	8,051
Right-of-use assets	5,487	-	5,487
Capital work-in-progress	112	28	84
Intangible assets under development	2,743	2,420	323
Other Intangible assets	2,908	-	2,908
Other non-financial assets	3,213	1,287	1,926
	27,711	3,735	23,976
TOTAL ASSETS	8,27,654	7,21,310	1,06,344
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	20	20	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	98,171	98,171	-
Debt Securities	4,25,783	4,25,783	-
Borrowings (other than debt securities)	99,627	99,627	-
Lease Liabilities	6,491	1,878	4,613
Other financial liabilities	12,450	12,361	89
	6,42,542	6,37,840	4,702
Non-Financial Liabilities			
Current tax liabilities (Net)	179	179	-
Provisions	1,460	1,198	262
Deferred tax liabilities (Net)	367	-	367
Other non-financial liabilities	3,392	3,365	27
	5,398	4,742	657
Total Liabilities	6,47,940	6,42,581	5,359
Net	1,79,714	78,729	1,00,985

8



51 Other Statutory Information

- a Additional regulatory information required under (WB) (xiv) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.
- b There are no charges or satisfaction yet to be registered with Registrar of companies beyond the statutory period.
- c The Company did not have any transactions which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- d The Company does not hold any benami property and no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- e The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- f The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- g During the year ended 31 March, 2024, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 to or on behalf of the Ultimate Beneficiaries.
- h During the year ended 31 March, 2024, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) 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 Party (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- i SUN System ERP (Accounting Software):
Since inception, the audit trail functionality has been activated to critical financial tables ensuring transparency and accountability in our financial record-keeping Systems. The snapshot of the enabled tables have been furnished during audit.
Audit logs have consistently been generated, providing a comprehensive trail of financial transactions and activities.
The activation of audit functionality has been integral to our internal control framework, facilitating compliance with regulatory requirements and enhancing stakeholder confidence.

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, the audit log was enabled and operated throughout the year for relevant transactions recorded in SUN accounting software.

Precision (Trading backend system):

Immutability of Submitted Entries:-

Once an entry is submitted, it cannot be modified, and there is no front-end screen available for modifications, ensuring the integrity and reliability of entered data.

Limited Access to DBA Changes:- Access to Database Administrator (DBA) changes is restricted to a select group of individuals, following the four-eye principle with multiple reviews to prevent inadvertent command execution.

Data Model Security:- The data model and know-how are exclusively maintained by TCS (Tata Consultancy Services), ensuring that only authorized patches provided by TCS are applied, thus mitigating the risk of unauthorized data tampering.

Functional Role Assignment:

Functional roles are assigned to application users in the back-office application, grouping various screens. Access to screens are granted based on these assigned roles.

Role-Based Access Control (RBAC):- Access to screens is contingent upon the assignment of roles, which are maintained within the database. Additionally, the system logs the date and time stamp of any modifications to these role assignments.

Transaction Logging:- All financial transactions are recorded in the financial ledger with an insert-only option; there is no provision for updates or deletes. Once data is entered into the table, it becomes permanent and immutable. The system automatically captures metadata such as "created by," "create date," and "program ID," facilitating traceability and accountability.

The robust controls and mitigation measures implemented within the Precision system provide a strong foundation for preventing data tampering and ensuring the integrity of financial transactions. These measures, including the immutability of submitted entries, restricted access to DBA changes, and thorough transaction logging, contribute to a secure and reliable data environment. We are confident that these controls effectively mitigate the risks associated with data tampering and support the integrity of our financial reporting processes.

The Company has used accounting software ie SUN and Precision, for maintaining its books of account which has a feature of recording audit trail (edit log) facility. In respect of SUN accounting software, the audit trail was enabled and operated throughout the year for relevant transactions recorded therein. Further, there was no instance of tampering of such audit trail noted in such software. The vendor supporting Precision accounting software could not produce conclusive documentation to demonstrate when audit trail was enabled and whether it operated throughout the year for all relevant transactions recorded in this software. Further, the audit trail feature was not enabled on the databases supporting SUN and Precision.



HDFC Securities Limited
Notes forming part of the Financial Statements
(For the year ended 31 March 2024)

j The Company has Input tax credit (ITC) asset paid by the Company on purchase of goods/services that are used or will be used for business. The Company was previously netting off these ITC assets from GST liability under other non-financial liabilities for the presentation in the balance sheet. However, based on review of commonly prevailing practices and to align with presentation used by the peer group companies, the management considers it to be more relevant if ITC asset is presented under other non financial assets. Prior year comparatives as at 31 March 2024 have been restated by reclassifying ₹1695 lacs from other non financial liabilities to other non financial assets, in the balance sheet. The corresponding amounts included under the head other non financial liabilities as at 1 April 2022 were ₹1,131 lacs. The management believes that the reclassification does not have any material impact on information presented in the balance sheet at the beginning of the preceding period, viz., 1 April 2022. Accordingly, the Company has not presented third balance sheet in the financial statements.

The Company has earned research fees by providing research services to various person including HDFC Bank. The Company was previously included the research fees under other income for the presentation in the balance sheet. However, based on review of commonly prevailing practices and to align with presentation used by the peer group companies, the management considers it to be more relevant if research fees is presented under operating income. Prior year comparatives as at 31 March 2024 have been restated by reclassifying Rs. 1,757 lacs from other income to operating income, in the balance sheet. The corresponding amounts included under the head other income as at 1 April 2022 were Rs. 1,452 lacs. The management believes that the reclassification does not have any material impact on information presented in the balance sheet at the beginning of the preceding period, viz., 1 April 2022. Accordingly, the Company has not presented third balance sheet in the financial statements.

k The Company has complied with the requirements of the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

l Quarterly statements of current assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in agreement with the books of account.

m The Company is holding immovable property as disclosed in note no.11. Title deeds of the property are held in the name of the Company.

n There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

52 Events after reporting date

There are no material events after the reporting date that require disclosure in these financial statements.

As per our report of even date.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005


VIREN H. MEHTA
Partner
Membership No. 048749

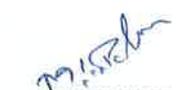
Place: Mumbai
Date: 12 April 2024



For and on behalf of the Board of Directors
HDFC Securities Limited
CIN Number: U67120MH2000PLC152193


DHIRAJ RELI
Managing Director
DIN: 07151265

ASHISH RATHI
Whole Time Director
DIN: 07731968
Place: Mumbai
Date: 12 April 2024


RAVINDERA NAHAR
Chief Financial Officer

MITUL PALANKAR
Company Secretary

8