

16 April 2020

To

BSE Limited

Dept. of Corporate Services

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai – 400001.

Name of the Scrip: HDFC Securities Limited

Dear Sir,

Sub: Submission of Audited Financial Results for the year ended 31st March 2020 under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has been disclosing its Audited Financial Results as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as it is debt listed company. The Commercial Papers of Company were listed on the Stock Exchange with effect from 15th January, 2020.

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, we are enclosing a copy of the Audited Financial Results under IND-AS for the year ended 31st March 2020, approved by the Board of Directors of the Company at its meeting held today i.e. on 16th April, 2020, along with the report of the Statutory Auditors thereon,

Kindly take the same on your records.

Yours Faithfully,

For HDFC Securities Limited


N.E. Venkitakrishnan
Company Secretary



BSE - PUBLIC

HDFC Securities Limited

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Corporate Identity Number (CIN)-U67120MH2000PLC152193

SEBI Registration No.: IN2000186937 (NSE, BSE, MSEI, MCX)

For any complaints / grievance: services@hdfcsec.com

Compliance Officer: Binkle R. Oza Contact: +91 22 3045 3600. Email: complianceofficer@hdfcsec.com

B S R & Co. LLP

Chartered Accountants

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Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Independent Auditors' Report

To the Board of Directors of HDFC Securities Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying annual financial results of HDFC Securities Limited ("the Company") for the year ended 31 March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results 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.

Management's and Board of Directors' Responsibilities for the Financial Results

These financial results have been prepared on the basis of the annual financial statements. The Company's Management and Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

Independent Auditors' Report (Continued)

HDFC Securities Limited

Management's and Board of Directors' Responsibilities for the Financial Results (Continued)

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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statement 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 results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions

Independent Auditors' Report (Continued)
HDFC Securities Limited

Auditor's Responsibilities for the Audit of the Financial Results (Continued)

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 results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

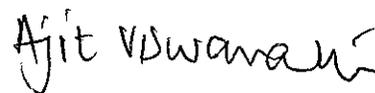
Other Matters

Attention is drawn to the fact that the figures for the 3 months ended 31 March 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the management reviewed figures for the period from 1 April 2018 to 31 December 2018. The figures for the 3 months ended 31 December 2019 as reported in these financial results are the balancing figures between audited figures in respect of year to date results for the period from 1 April 2019 to 31 December 2019 and reviewed figures for the period from 1 April 2019 to 30 September 2019.

Our opinion is not modified in respect of this matter.

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



Ajit Viswanath
Partner

Mumbai
16 April 2020

Membership No: 067114
UDIN: 20067114AAAAAL2524

Balance Sheet

(Rs. in lacs)

Particulars	As at	
	31 March 2020 (Audited)	31 March 2019 (Audited)
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	98,260	19,538
(b) Bank Balance other than (a) above	98,535	38,681
(c) Receivables		
(i) Trade Receivables	16,538	65,911
(ii) Other Receivables	-	-
(d) Loans	22,843	22,632
(e) Investments	2,862	42,067
(f) Other Financial Assets	22,435	4,819
	2,61,473	1,93,648
2 Non-Financial Assets		
(a) Current tax assets (Net)	1,622	1,412
(b) Deferred tax Assets (Net)	226	-
(c) Investment Property	1,452	1,480
(d) Property, Plant and Equipment	8,884	3,814
(e) Capital work-in-progress	735	319
(f) Intangible assets under development	578	753
(g) Other intangible assets	1,542	1,392
(h) Other non-financial assets	542	903
	15,581	10,073
TOTAL ASSETS	2,77,054	2,03,721
LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
(a) Payables		
(i) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	13	4
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	65,225	74,363
(ii) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(b) Borrowings	69,091	-
(c) Lease Liabilities	6,021	-
(d) Other financial liabilities	680	390
	1,41,030	74,757
2 Non-Financial Liabilities		
(a) Current tax liabilities	179	354
(b) Provisions	7,132	6,533
(c) Deferred tax liabilities (Net)	-	932
(d) Other non-financial liabilities	3,953	1,769
	11,264	9,588
3 Equity		
(a) Equity Share capital	1,573	1,561
(b) Other Equity	1,23,187	1,17,815
	1,24,760	1,19,376
TOTAL LIABILITIES AND EQUITY	2,77,054	2,03,721

Particulars	Quarter ended 31 March 2020	Quarter ended 31 December 2019 ¹	Quarter ended 31 March 2019 ²	Year ended 31 March 2020	Year ended 31 March 2019
	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue from operations					
(i) Brokerage and Fee Income	22,199	16,956	17,040	68,779	65,216
(ii) Interest Income	5,118	3,777	2,308	14,643	6,980
(iii) Sale of Services	42	48	155	307	774
(iv) Net gain on fair value changes	(150)	574	983	1,736	3,833
(v) Rental Income	52	51	45	207	179
(vi) Dividend Income	3	23	14	75	74
(I) Total Revenue from operations	27,264	21,429	20,545	85,747	77,056
(II) Other Income	478	1	9	479	10
(III) Total Income (I+II)	27,742	21,430	20,554	86,226	77,066
Expenses					
(i) Finance Costs	1,445	687	8	2,878	11
(ii) Impairment on financial instruments	31	65	(95)	132	4
(iv) Employee Benefits Expenses	5,294	4,959	2,573	19,688	15,293
(v) Depreciation, amortization and impairment	827	722	498	3,036	1,864
(vi) Other expenses	2,357	2,266	2,271	9,591	10,371
(IV) Total Expenses	9,954	8,699	5,255	35,325	27,543
(V) Profit before tax (III - IV)	17,788	12,731	15,299	50,901	49,523
Tax expense					
Current Tax	4,915	3,377	4,668	13,645	16,809
Deferred Tax	(540)	(81)	(10)	(1,159)	(268)
(VI) Total tax expense	4,375	3,296	4,658	12,486	16,541
(VII) Profit for the period/year (V-VI)	13,413	9,435	10,641	38,415	32,982
(VIII) Other comprehensive income :					
Items that will not be reclassified to profit or loss:					
(i) Re-measurement gains on defined benefit plans	(61)	7	7	3	114
(ii) Income tax effect	15	(2)	(3)	(1)	(39)
Other comprehensive income for the period/year (i-ii)	(46)	5	4	2	75
(IX) Total comprehensive income for the period/year (VII + VIII)	13,368	9,440	10,645	38,417	33,057
(X) Earnings per equity share - [Face value Rs 10 per share]*					
Basic (in Rs)	85.77	60.42	68.36	245.86	212.00
Diluted (in Rs)	86.57	60.01	68.35	245.91	210.64

* EPS is not annualised for interim period

1 This represents the difference between audited results for the 9 months ended 31 December 2019 and reviewed results for the 6 months ended 30 September 2019

This represents the difference between audited results for the year ended 31 March 2019 and management reviewed numbers for the 9 months ended 31 December 2018

Cash Flow Statement for the year ended 31 March 2020

(Rs. In lacs)

	Year Ended	
	31 March 2020	31 March 2019
Cash Flow from operating activities		
Profit before tax	50,901	49,523
Adjustments		
Depreciation & Amortization	3,036	1,864
Employee stock option compensation cost	1,535	729
Impairment loss on financial assets	132	4
Loss on sale / w/off of Property, Plant & Equipment	6	(5)
Rental income from investment property	(207)	(179)
Gain on sale of investment	(1,736)	(3,833)
Finance Costs	2,878	11
Interest income	(8)	(8)
Dividend income	(75)	(74)
	56,462	48,032
Working capital adjustments:		
Decrease/ (Increase) in Bank Balance	(59,854)	(29,545)
Decrease / (Increase) in trade receivables	49,241	(23,965)
Decrease / (Increase) in loans	(211)	(22,632)
Decrease / (Increase) in Other financial assets	(17,617)	(2,199)
Decrease / (Increase) in Other non-financial assets	362	(364)
Increase/ (Decrease) in trade and other payables	(9,129)	22,720
Increase/ (Decrease) in lease liability	6,021	-
Increase/ (Decrease) in other financial liabilities	289	314
Increase/ (Decrease) in Provisions	602	(1,327)
Increase/ (Decrease) in Other non-financial liabilities	2,185	(1,780)
	28,351	(10,747)
Income tax paid	(14,030)	(17,309)
Net Cash Flow from operating activities (A)	14,321	(28,055)
Investing activities		
Purchase of property, plant and equipment	(8,482)	(2,054)
Purchase of Investment Property	7	-
Rental income received	207	179
Purchase of investments	(328)	(23,072)
Proceeds from sale of current investments	41,269	64,060
Dividend received	75	74
Interest received	8	8
Net cash flows from investing activities (B)	32,755	39,195

Cash Flow Statement for the year ended 31 March 2020
(All amounts in Indian Lakh Rupees unless otherwise stated)

(Rs. in lacs)

	Year Ended	
	31 March 2020	31 March 2019
Financing activities:		
Proceeds from Issuance of equity share capital	1,320	694
Proceeds from Issuance of Commercial Papers**	1,68,091	-
Redemption of Commercial Papers**	(99,000)	-
Finance Costs	(2,878)	(11)
Dividend paid, including dividend tax	(35,888)	(18,790)
Net cash (used in) financing activities (C)	31,645	(18,107)
Net increase in cash and cash equivalents (A+B+C)	78,722	(6,968)
Cash and Cash equivalents at the beginning of the year	19,538	26,506
Cash and Cash equivalents at the end of the year	98,260	19,538
Components of cash and cash equivalents		
Imprest Cash*	0	-
Balances with Banks - In current accounts	98,260	19,538
Cash and Cash equivalents at the end of the year	98,260	19,538

* Amount less than Rs 50000

**No significant non cash movement in borrowings

HDFC Securities Limited

Notes to financial results

for the year from 1 April 2019 to 31 March 2020

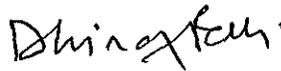
- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on April 16, 2020.
The statutory auditors have issued unmodified opinions on the financial results.
- 2 During the year ended March 31, 2020, the Company completed the listing of its commercial papers on The Bombay Stock Exchange of India limited on January 15, 2020.
- 3 During the year, the Company had declared and paid interim dividend of Rs 135 per share amounting to Rs 25,532.79 lacs including dividend tax. Further, the Board of Directors at its meeting held on April 16, 2020 proposed a final dividend of Rs NIL per share, subject to the approval of the members at the ensuing Annual General Meeting.
- 4 The previous quarter/ year ended figures have been regrouped/rearranged wherever necessary to confirm to the current quarter/year presentation.
- 5 The Company has made a policy choice to recognise the effect of Taxation Laws Amendment Ordinance 2019 (the 'Ordinance') in the quarter ended 30 September 2019. Accordingly, tax expense for year ended 31 March 2020 reflect changes made vide the Ordinance.
- 6 During the year ended 31 March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus followed by another extension of the lockdown by 19 days.

Stock broking and depository services have been declared as essential services and accordingly, the Company has faced no business stoppage/interruption on account of the lockdown. In light of the steep decline in the indices, the Company, in the normal course of business, placed additional margin money with the stock exchanges.

As of 31 March 2020, 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.

Place : Mumbai
Date: 16 April 2020

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



DHIRAJ RELLI
Managing Director
DIN: 07151265