

# PRE-IPO NOTE

## Basic Parameters

M Cap.	18000 Cr.
CMP	₹11900
52 W H/L	18000 / 11000
Face Value	₹10
No. of Shares	1.51 Cr

## Financials

Particulars	6MFY23	2022	2021	2020
Revenue	900	1976	1368	862
PAT	380	984	703	384
EBITDA	663	1521	957	439
EPS	240	623	446	246

(Fig. Cr)

## Peers Comparison

Particulars (6MFY23)	HDFC Sec.	ICICI Sec.
Revenue	900	1652
PAT	380	574
EPS	240	18
Mcap	18000	16000
P/E	22x	12x

(Fig. Cr)

## Risk in Business

- Earnings at HSL are very dependent on the capital markets and trading volumes, both of which are inherently unstable. However, they are diversifying their business by cross-selling third-party products as well as lending through MTF route.
- Zero brokerage firms are seizing the market from existing players.

## About HDFC Securities

- HDFC Securities is a financial services intermediary and a subsidiary of HDFC Bank. It is one of the leading stock broking companies in India and has completed 22 years of operation.
- The Company is registered as a "Stockbroker" with the Securities and Exchange Board of India ("SEBI") and as a "Corporate Agent" with the Insurance Regulatory and Development Authority ("IRDA"). The company started with equity trading and later rolled out derivatives trading.
- Currently, it offers a broad suite of savings and investment products along with the core broking product. It also distributes third party products and plays a key role in cross-selling products of its Group companies.

## Advantage of HDFC Bank as a Parent

- It not only shares a brand with HDFC Bank, but it also has a common director on the Board, which gives it managerial ties to HDFC Bank.
  - From an operational point of view, HDFC Bank's size, large network, and wide range of clients help HSL generate leads for its broking business.
- ## Moving Towards Digital
- The company has significantly ramped up its digital presence with 92% of its active customers accessing its services digitally in FY21, up from 79% in the previous year.
  - They have also bought stakes in Stockal to enable customers to invest directly in US stock markets.
  - The company rationalised its distribution network via consolidation of existing branches lowering the branch count to 216 as of year-end FY21





**To Buy HDFC Securities  
Unlisted Shares  
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