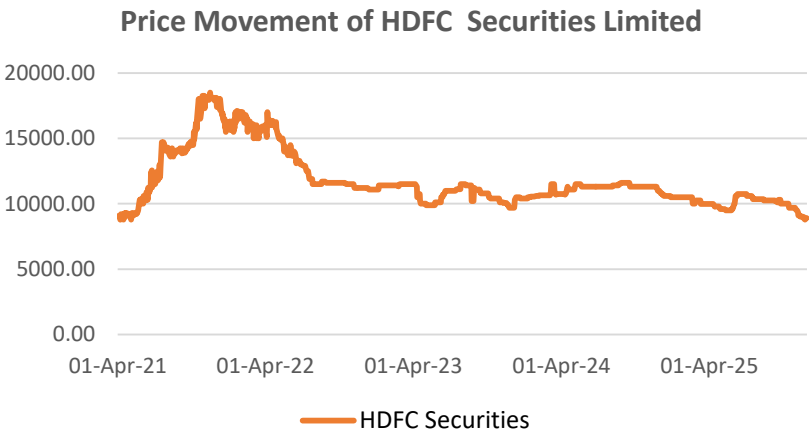


HDFC Securities Limited

Company Highlights

ISIN Number: INE700G01014
Face Value (INR) : 10
Authorised Share Capital: INR 20 Cr.
Paid Up Capital: INR 17.85 Cr.
Outstanding Shares : 1,77,71,969
Status : Unlisted
Industry: Financial Services
Business Divisions: Stock Broking and related products
Parent Company: HDFC Bank Limited
HQ: Mumbai, Maharashtra
CEO & MD: Mr. Dhiraj Relli



Key Financial Metrics

| Particulars | FY25 | FY24 | FY23 |
|----------------------------------|--------|--------|--------|
| Revenue from operations (in Cr.) | 3,264 | 2,660 | 1,891 |
| Total Income (in Cr.) | 3,265 | 2,661 | 1,892 |
| Brokerage & Fee (in ₹ Cr.) | 1,722 | 1,576 | 1,165 |
| EBITDA | 72.02% | 72.77% | 73.77% |
| PBT | 45.82% | 47.79% | 55.08% |
| PAT | 34.45% | 35.75% | 41.10% |
| EPS (in ₹) | 635 | 597 | 490 |
| Dividend per share (in ₹) | 507 | 510 | 440 |

Executive Summary

HDFC Securities Limited (the “Company”) is a public company listed in the debt market on BSE that is a majority-owned subsidiary of HDFC Bank Limited (the “Parent”). 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 has emerged as a strong player in the financial services space offering a bouquet of savings and investment products along with the core broking product. The Company had a network of over 130 own branches across 106 cities in the country as on 31st March 2025 and also has multiple digital platforms to enable customers to have easy access to its products.

HDFC Securities offers investments and direct trading services through buying and selling of equities, along with currency derivatives, mutual funds, NCDs, fixed deposits, bonds, basket investing, global investing, PMS/AIF and more — to suit the diverse investment needs of Indians. With robust understanding of the personal finance space, HDFC Securities specializes in asset allocation, portfolio structuring and, realignment, and goal-based investing.

Shareholding Pattern as on 31st Mar 2025

| Entity | % |
|-------------------|--------|
| HDFC Bank Limited | 95.57% |
| Others | 4.43% |

Major Highlights – FY25 of HDFC Securities Limited

- Major Highlights
- HDFC Securities recorded **1.65 million overall active clients** during FY25, continuing its strong digital adoption trend.
 - **22% YoY growth** in total income was achieved, rising from **₹2,660.73 Cr. in FY24 to ₹3,264.86 Cr. in FY25**.
 - **85% of total brokerage income** was contributed by digital channels, highlighting the company’s ongoing digital transformation (PY: 60%).
 - Total customer base expanded to **68,34,411**, marking **141% YoY growth** compared to FY24.
 - HDFC Securities continues to retain strong talent, with **810+ employees** having over **5 years of service** with the organization.
 - The firm served **16,47,472 total transacting customers**, placing it among the **top 5 broking houses in India**.
 - **Average Margin Trade Funding (MTF) book size** increased to **₹932 Cr.**, a **71% growth YoY**.
 - **Revenue per employee** improved to **₹89.52 lakhs**, indicating continued productivity enhancements.
 - The company facilitated **33 IPOs**, receiving **4.116 million applications** — totaling **₹14,543 Cr.** in IPO transaction volumes.
 - Total brokerage and fee income amounted to **₹1,744.20 Cr.** during the year.
 - **Dividend per share** declined from **₹510 (FY24) to ₹507 (FY25)** owing to capital allocation strategy.
 - **1,500+ Relationship Managers (RMs)** continued to support retail and wealth clients across the country.
 - **Average daily turnover** witnessed a sharp rise of **34.74%**, reaching **₹1,68,983 Cr. (FY25) vs. ₹1,25,417 Cr. (FY24)**.
 - The company contributed **₹24.32 Cr.** towards CSR initiatives, reaffirming its commitment to social responsibility.

Financial Highlights

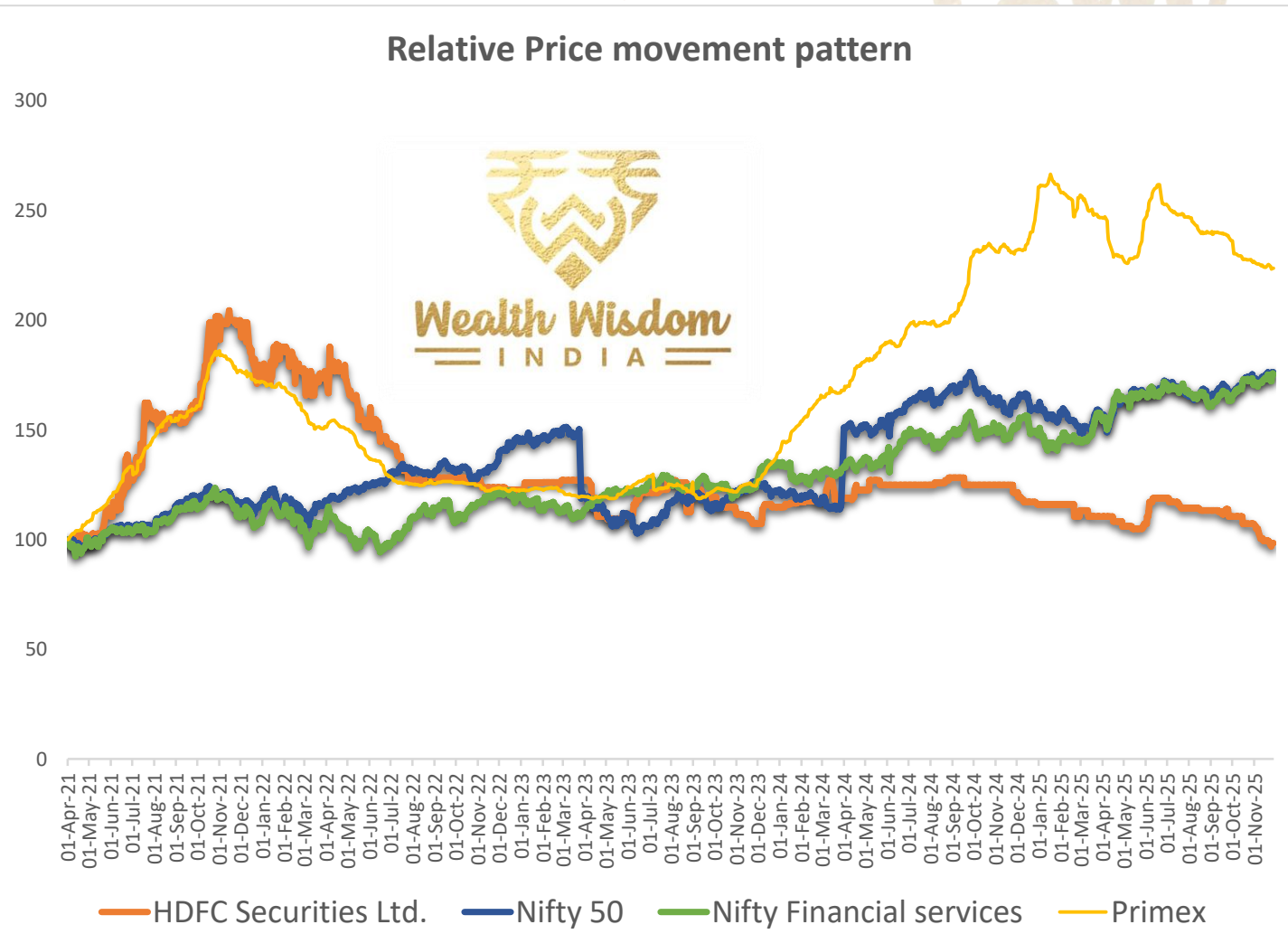
| Particulars | Financial Year | | | | | CAGR |
|-------------------------------|----------------|--------------|----------------|--------------|----------------|--------|
| | FY25 | Y-o-Y Growth | FY24 | Y-o-Y Growth | FY23 | |
| Brokerage and Fee Income | 1,722.21 | 9.29% | 1,575.79 | 35.31% | 1,164.61 | 13.93% |
| Interest Income | 1,418.34 | 37.61% | 1,030.72 | 59.15% | 647.65 | 29.86% |
| Total Revenue from Operations | 3,263.80 | 22.69% | 2,660.12 | 40.65% | 1,891.27 | 19.95% |
| Other income | 0.75 | 22.95% | 0.61 | 69.44% | 0.36 | 27.72% |
| Total Income | 3,264.55 | 22.69% | 2,660.73 | 40.66% | 1,891.63 | 19.95% |
| Finance Cost | 785.45 | 30.80% | 600.50 | 102.95% | 295.88 | 38.46% |
| Depreciation & Amortization | 69.62 | 8.92% | 63.92 | 11.26% | 57.45 | 6.61% |
| Total Expenses | 1,768.96 | 27.33% | 1,389.30 | 63.50% | 849.73 | 27.69% |
| EBITDA | 2,350.66 | 21.43% | 1,935.85 | 38.75% | 1,395.23 | 18.99% |
| EBITDA Margin | 72.02% | -1.03% | 72.77% | -1.35% | 73.77% | -0.80% |
| PAT | 1,124.46 | 18.25% | 950.89 | 22.35% | 777.22 | 13.10% |
| PAT Margin | 34.45% | -3.62% | 35.75% | -13.02% | 41.10% | -5.71% |
| No. of Eq. Shares Outstanding | 1,77,71,969.00 | 11.29% | 1,59,68,420.00 | 0.46% | 1,58,94,600.00 | 3.79% |
| Equity Share Capital | 17.77 | 11.27% | 15.97 | 0.50% | 15.89 | 3.80% |
| Total Net Worth | 3,348.02 | 64.99% | 2,029.24 | 12.91% | 1,797.14 | 23.05% |
| Total Assets | 14,030.66 | -0.51% | 14,103.07 | 70.40% | 8,276.54 | 19.24% |

Valuation Ratios

| Particulars | FY25 | FY24 | FY23 |
|---------------------|----------|-----------|-----------|
| BVPS (in ₹) | 1,883.88 | 1,270.78 | 1,130.66 |
| BV Growth (%) | 48.25% | 12.39% | 7.95% |
| Price (in ₹) | 9,999.00 | 10,750.00 | 11,500.00 |
| Price Growth (%) | -6.99% | -6.52% | -26.75% |
| Price -BV (x) | 5.31 | 8.46 | 10.17 |
| EPS (in ₹) | 635.21 | 597.35 | 489.84 |
| EPS Growth % | 6.34% | 21.95% | -21.22% |
| Price- Earnings (x) | 15.74 | 18.00 | 23.48 |
| Dividend | ₹ 507.00 | ₹ 510.00 | ₹ 440.00 |
| Dividend yield (%) | 5.07% | 4.74% | 3.83% |

The company shows strong intrinsic performance with BVPS rising consistently from ₹1,130.66 in FY23 to ₹1,883.88 in FY25, supported by robust BV growth in FY25. EPS has also improved steadily, although growth moderated to 6% in FY25 after a strong FY24. Despite healthy fundamentals, the share price recorded negative growth in the past two years, leading to a decline in valuation multiples, with the P/B ratio falling to 5.31x and the P/E to 15.74x in FY25. Dividend yield remained stable at 5%. Overall, fundamentals continue to strengthen, while valuations appear increasingly attractive.

Price Movement



FINANCIALS

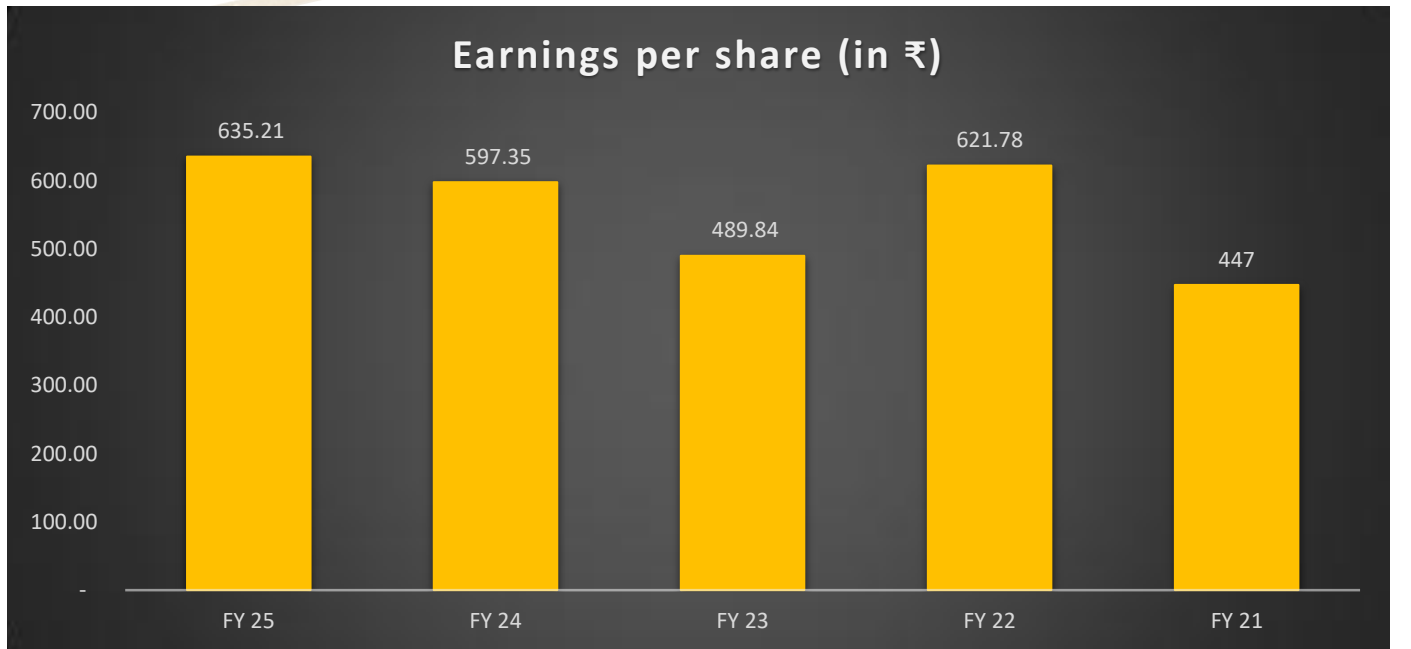
Financial Metrics

| Particulars | FY 25 | FY 24 | FY 23 |
|--|-----------|-----------|---------|
| Cash flow metrics (in ₹ cr.) | | | |
| Operating cash flow | 2,380.96 | -2,746.97 | 370 |
| Investing cash flow | -138.13 | 207.04 | -973 |
| Financing cash flow | -2,209.96 | 2,945.94 | -322 |
| Net cash flow | 32.87 | 406.01 | -925.82 |
| Growth ratios (in %) | | | |
| Sales Growth | 22.69% | 40.65% | -4.27% |
| EBITDA Growth | 21.43% | 38.75% | -29.90% |
| Net profit growth | 18.25% | 22.35% | -21.04% |
| EPS Growth | 6.34% | 21.95% | -21.22% |
| Common size ratios -as a % of sales | | | |
| EBITDA margin | 72.02% | 72.77% | 73.77% |
| EBIT Margin | 69.89% | 70.37% | 70.73% |
| PAT margin | 34.45% | 35.75% | 41.10% |
| Employee cost | 14.72% | 14.45% | 14.53% |
| Operating expenses | 13.10% | 12.26% | 10.61% |
| Return ratios | | | |
| RoNW | 33.59% | 46.86% | 43.25% |
| RoA | 8.01% | 6.74% | 9.39% |

- ❖ The Company’s total income amounted to ₹3,264.55 cr. as against ₹2,660.73 cr. in the previous year, an increase of 22.69%.
- ❖ The operations have resulted in a net profit after tax of ₹ 1,124.46 Cr. as against ₹ 950.89 Cr. in the previous year, an increase of 18.25%.
- ❖ Operating Margin is 69.89%, making it one of the best in the industry.
- ❖ Decrease in Debt-Equity ratio from 4.70 times to 2.37 times.
- ❖ Increase in current ratio from 1.07 to 1.19 times.
- ❖ Interest coverage ratio reduced from 3.12 times to 2.91 times.

Cashflow Statement: There were positive cash flows from operating activities but negative cash flow from investing and financing activities resulting in a rise in **cash and cash equivalents from ₹798.11 Cr. in FY24 to ₹ 830.98 Cr in FY25.**

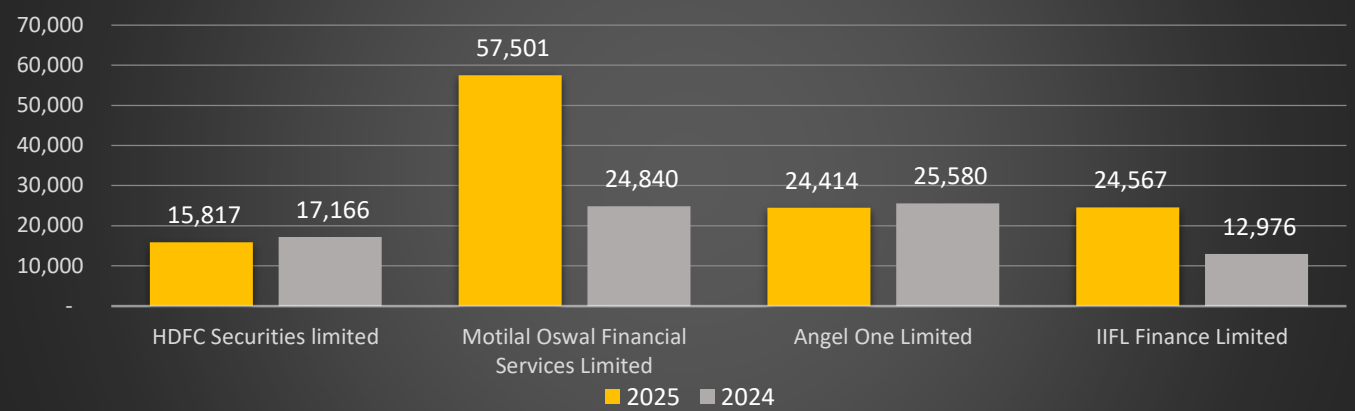
Exhibit 1: Earnings per share



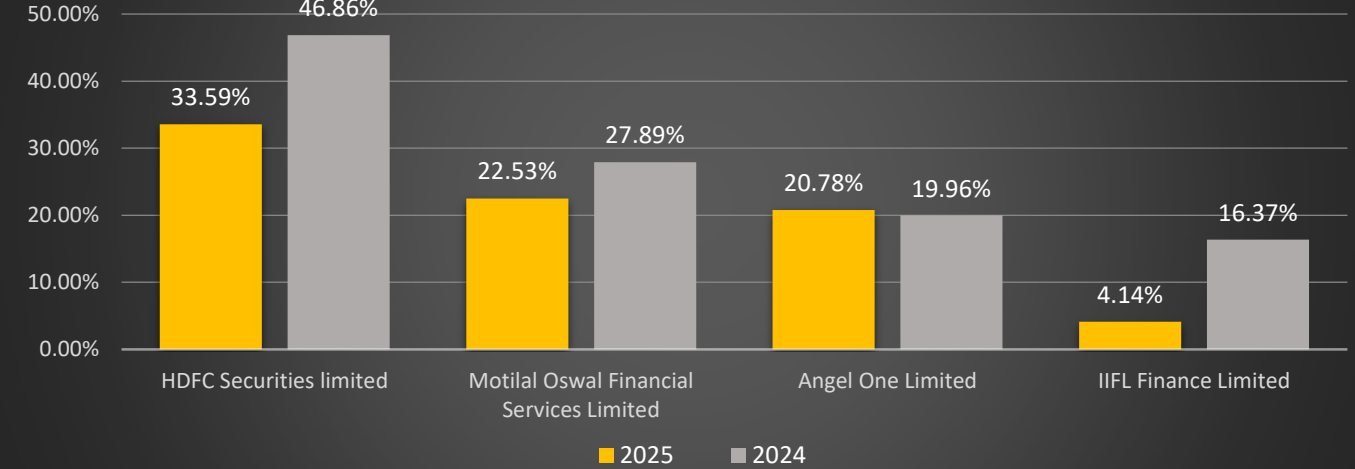
Peer Comparison (CMP Dated November 28, 2025)

| Particulars | HDFC Securities limited | Motilal Oswal Financial Services Limited | Angel One Limited | IIFL Finance Limited |
|------------------------------------|-------------------------|--|-------------------|----------------------|
| CMP* (in ₹) | 8,900.00 | 959.45 | 2,703.80 | 578.70 |
| Market Cap (In Cr.) | 15,817.05 | 57,501.17 | 24,413.70 | 24,566.77 |
| Revenue From Operations (In Cr.) | 3,263.80 | 8,339.05 | 5,238.38 | 10,210.90 |
| Total Income (In Cr.) | 3,264.55 | 8,417.22 | 5,247.67 | 10,237.07 |
| Total Expenses (In Cr.) | 1,768.96 | 5,190.96 | 3,655.72 | 8,943.56 |
| PAT (In Cr.) | 1,124.46 | 2,508.18 | 1,172.08 | 578.16 |
| EPS (Earnings Per Share) (in ₹) | 635.21 | 41.00 | 126.82 | 8.73 |
| BVPS (Book Value Per Share) (in ₹) | 1,883.88 | 185.73 | 624.53 | 328.73 |
| P/E | 14.01 | 23.40 | 21.32 | 66.29 |
| P/BV | 4.72 | 5.17 | 4.33 | 1.76 |
| ROE | 33.59% | 22.53% | 20.78% | 4.14% |
| 3 year CAGR Sales | 19.95% | 25.92% | 20.40% | 7.28% |
| 3 year CAGR Net profit | 13.10% | 38.96% | 9.61% | -28.89% |
| Operating Margin | 69.89% | 48.52% | 36.02% | 47.76% |
| Asset Turnover ratio | 0.23 | 0.25 | 0.31 | 0.15 |

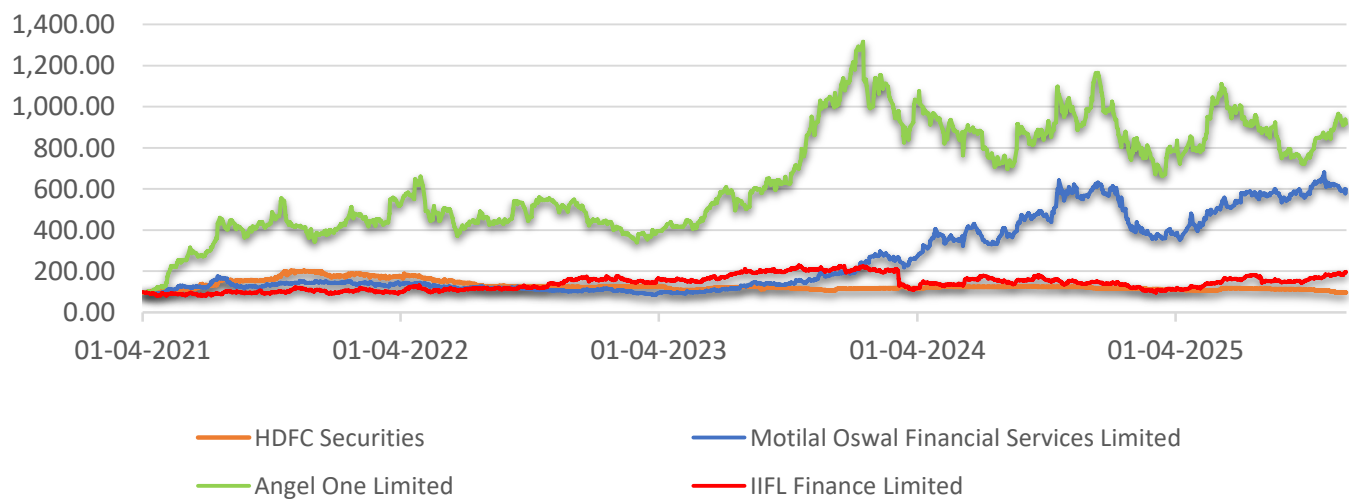
Market Cap (in Cr.)



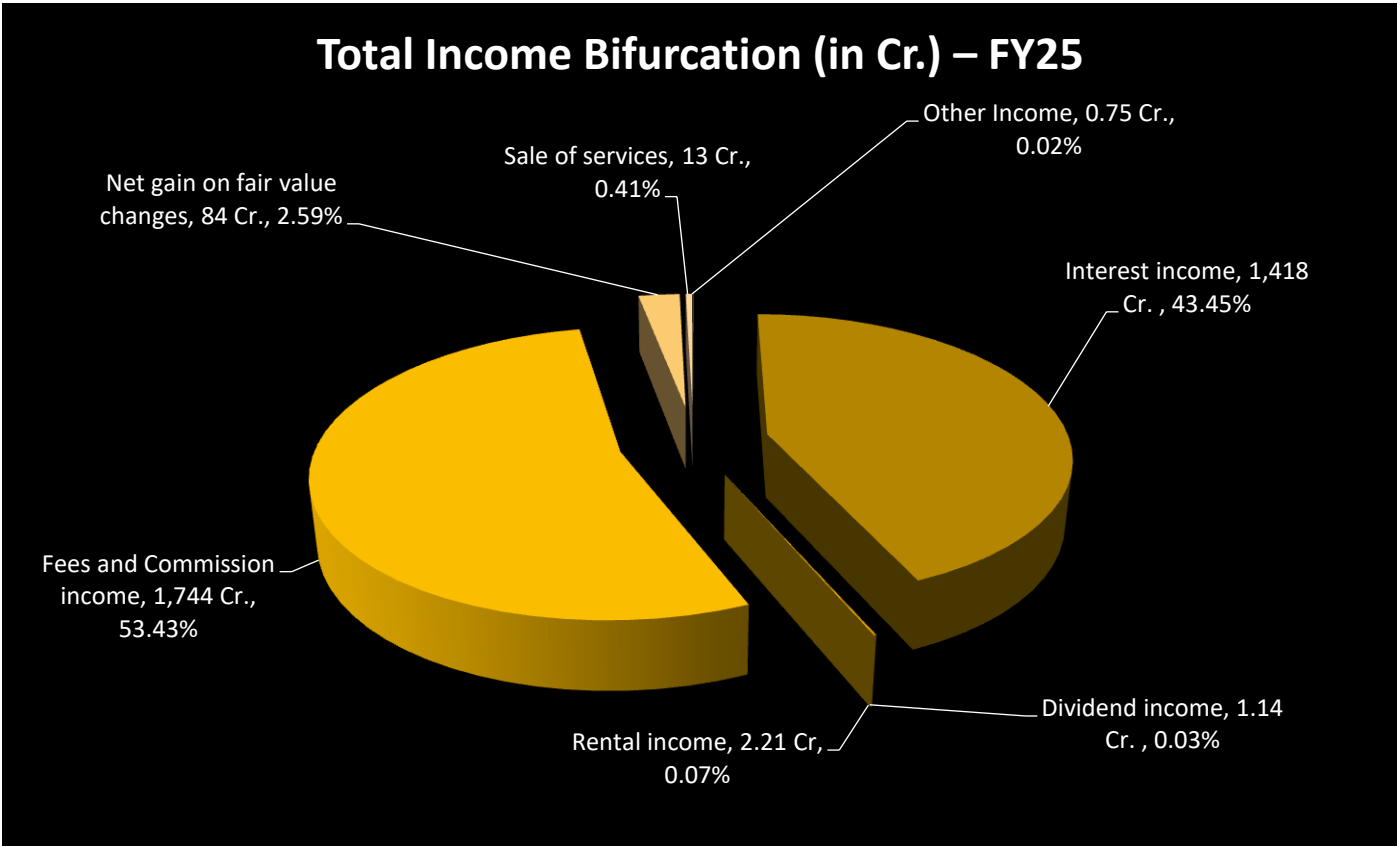
ROE (in %)



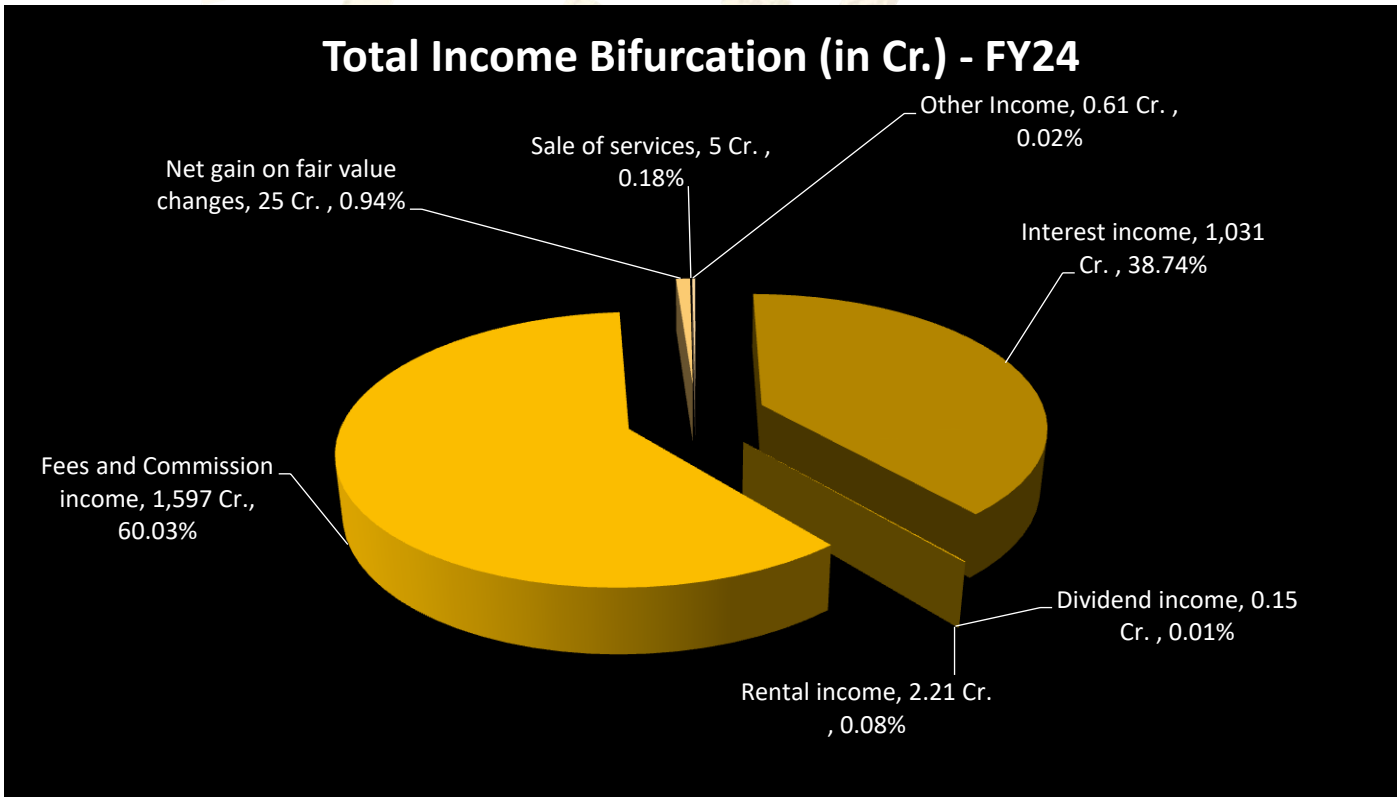
Relative Price Movement



Total Income Bifurcation (in Cr.) – FY25



Total Income Bifurcation (in Cr.) - FY24



Total Income Bifurcation – FY25

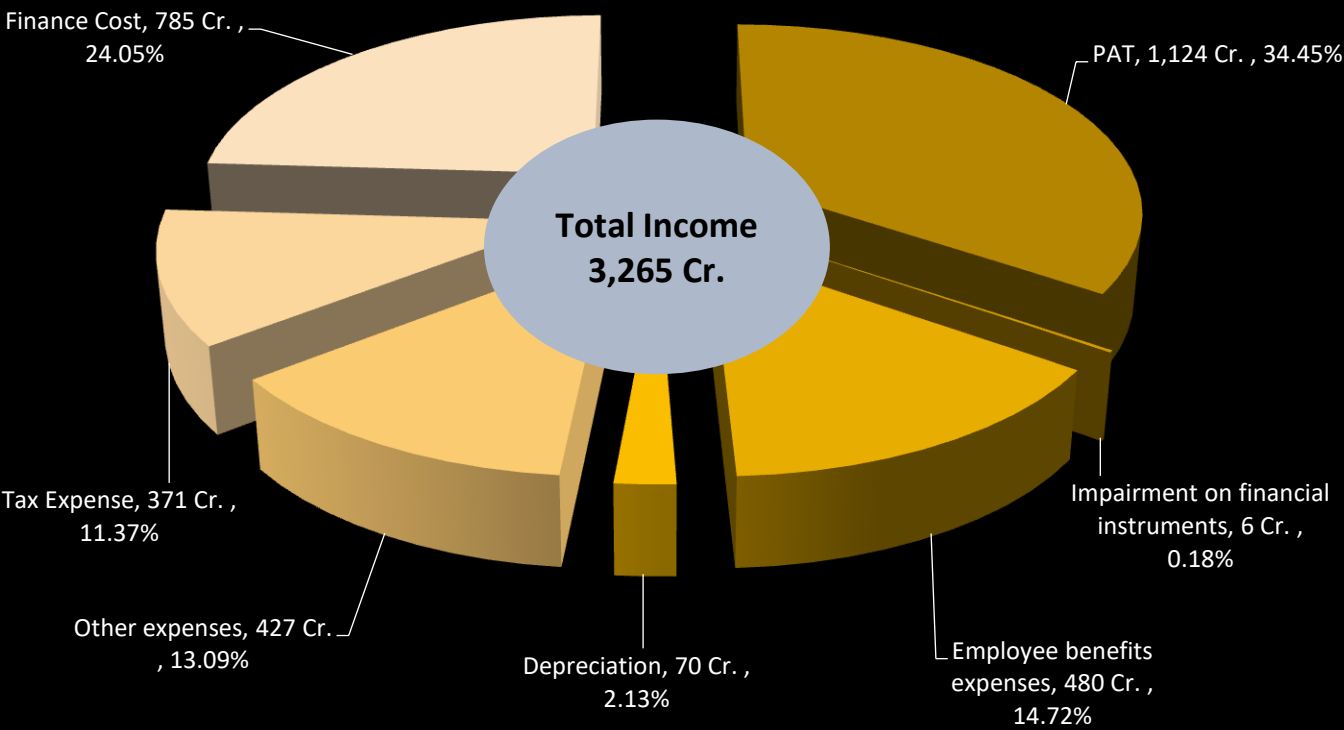
During FY25, HDFC Securities reported a **Total Income of ₹3,264.55 Cr**, increasing from **₹2,660.73 Cr** in FY24, representing a healthy **22.7% year-on-year growth**. The business continues to be predominantly driven by **fees & commission income** from broking operations and **interest income** from financing activities. Higher gains on fair value changes also contributed positively, indicating favorable market momentum and improved treasury performance.

Breakdown of Total Income (₹ in Cr.)

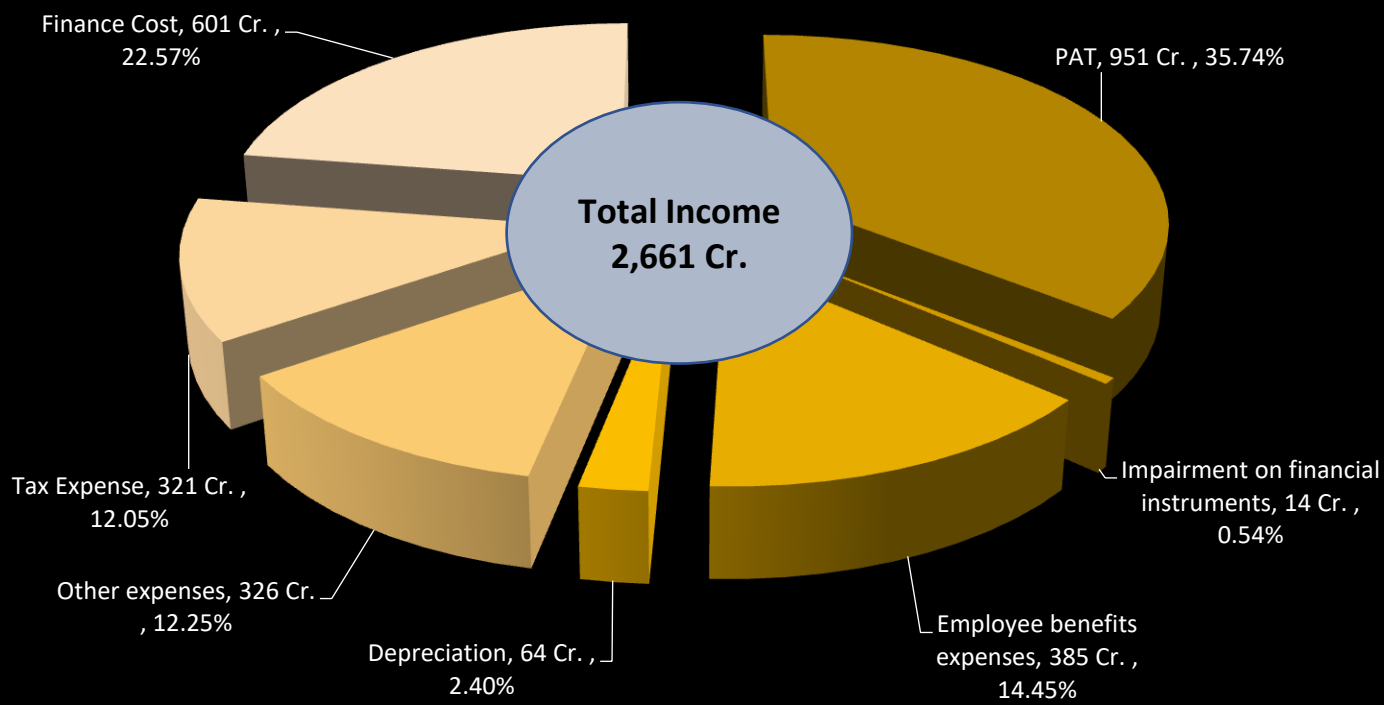
- **Interest Income:** ₹1,418.34 Cr (FY25) vs ₹1,030.72 Cr (FY24)
✓ Significant growth supported by expansion in MTF and financing businesses
- **Dividend Income:** ₹1.14 Cr (FY25) vs ₹0.15 Cr (FY24)
✓ Minor contribution but stronger than previous year
- **Rental Income:** ₹2.21 Cr (FY25) — remained stable vs FY24
- **Fees & Commission Income:** ₹1,744.20 Cr (FY25) vs ₹1,597.17 Cr (FY24)
✓ Major revenue driver (~53% of total revenue)
- **Net Gain on Fair Value Changes:** ₹84.42 Cr (FY25) vs ₹24.98 Cr (FY24)
✓ Strong recovery driven by better market conditions
- **Sale of Services:** ₹13.49 Cr (FY25) vs ₹4.89 Cr (FY24)
✓ High growth from service-linked offerings
- **Other Income:** ₹0.75 Cr (FY25) vs ₹0.61 Cr (FY24)
✓ Marginal contribution

Financials

Total Income Utilization (in Cr.) – FY25



Total Income Utilization (in Cr.) – FY24



Total Income Utilization Summary – FY25

During FY25, HDFC Securities generated a **Total Income of ₹3,264.55 Cr.**, demonstrating strong financial performance. Total expenses stood at **₹1,768.96 Cr.**, primarily driven by higher finance costs and employee-related expenditure to support expanding business operations. As a result, the company recorded a solid **Profit Before Tax (PBT) of ₹1,495.59 Cr.** After considering a tax expense of **₹371.13 Cr.**, the company reported a **Profit After Tax (PAT) of ₹1,124.46 Cr.**, marking a healthy **18.25% YoY growth** over the previous year's **₹950.89 Cr.** This indicates sustained operational efficiency and robust profitability momentum.

Key Metrics

Exhibit 2: Brokerage and Fee Income

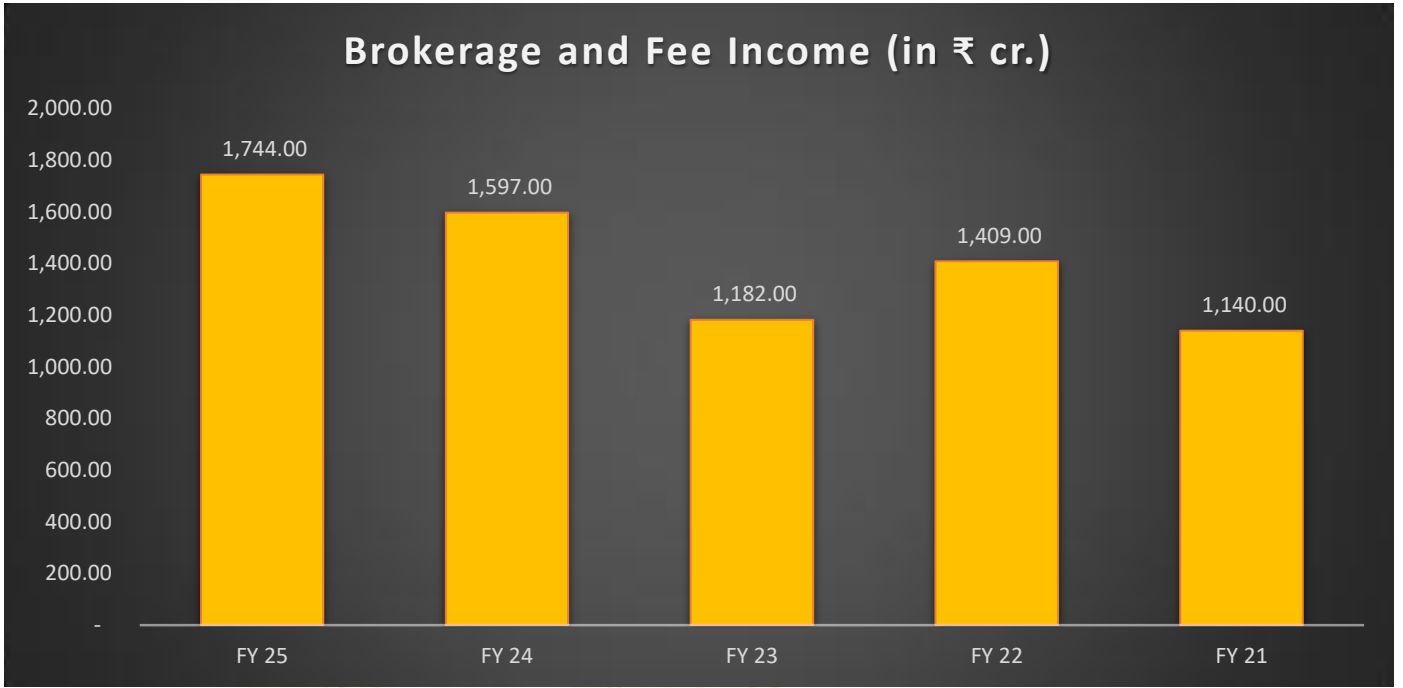


Exhibit 3: Overall Active Clients

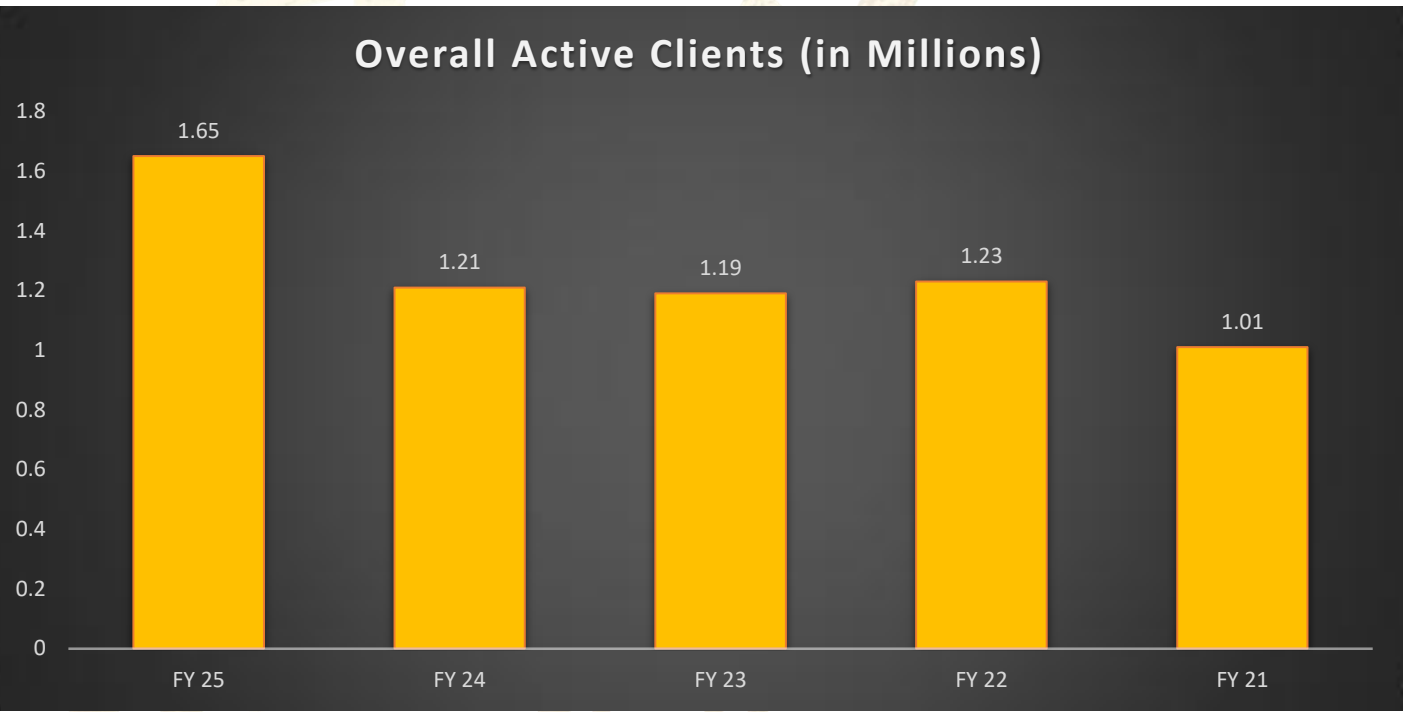
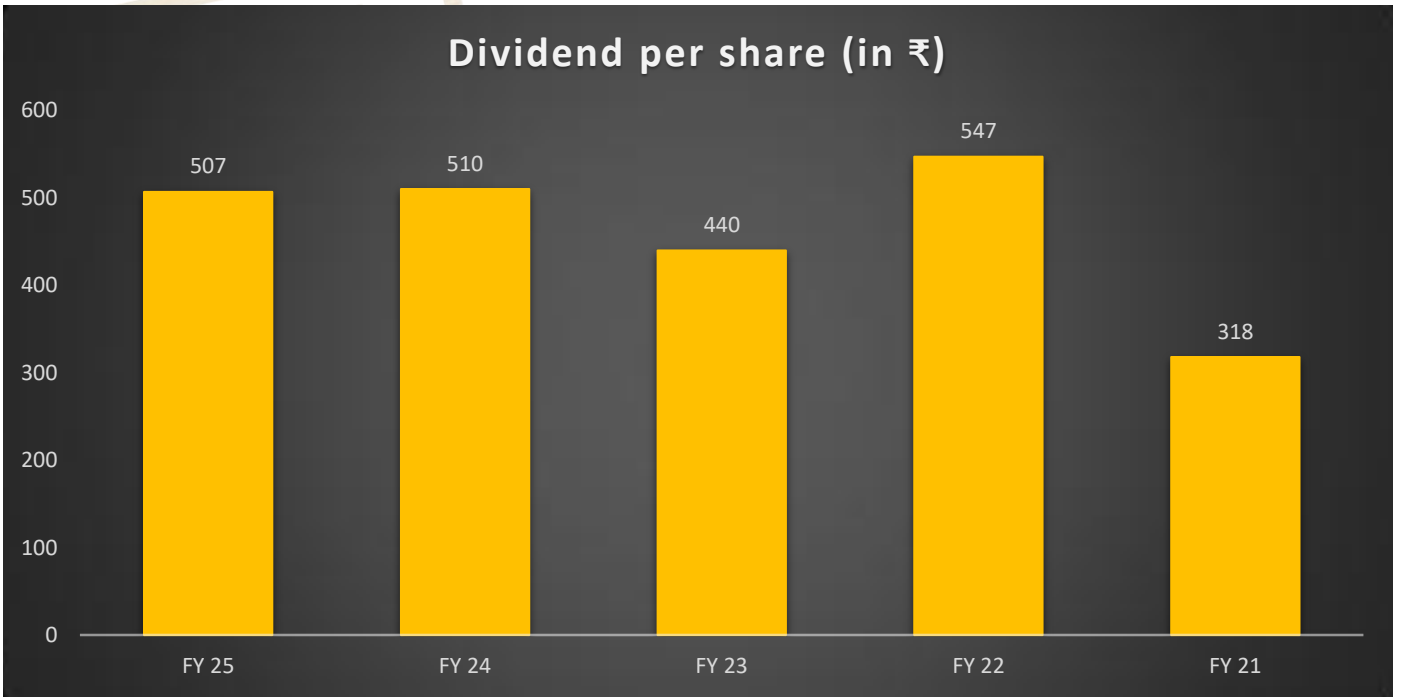


Exhibit 4: Dividend per share



Economic Outlook

Economic Growth Outlook

India's growth outlook for FY26 continues to strengthen, driven by robust domestic demand and improving investment activity. The Reserve Bank of India (RBI) projects real GDP growth of **6.5%** for FY26, with quarterly expansion expected in the **6.3%–6.7%** range. Fitch Ratings has also raised its growth estimate to **6.9%**, reflecting stronger consumption trends and government capex push. Additionally, latest data indicates that economic expansion has exceeded expectations, with GDP growth in **July–September 2025 rising by 8.2% year-on-year**, significantly ahead of forecasts, reinforcing confidence in India's medium-term growth trajectory.

Inflation

Inflation conditions have improved substantially compared to the high-inflation phase of recent years. The RBI has revised its FY26 CPI inflation projection sharply downward to **2.6%**, supported by softening commodity and food price pressures. While the inflation path is expected to remain benign overall, policymakers remain watchful given the potential for volatility in food prices and imported cost pressures later in the fiscal year.

External Sector

India achieved export receipts of nearly **USD 821 billion** in FY25, reflecting resilience in services-led external earnings. However, merchandise imports expanded at a faster pace, contributing to a widening trade deficit and keeping pressure on the current account. Analysts continue to flag global uncertainties — including protectionist trade policies, geopolitical tensions, and commodity price volatility — as key risks for FY26 that could limit export-led growth.

Capital Markets

The macroeconomic landscape of **steady GDP growth, cooling inflation, and continued policy support** creates a constructive backdrop for Indian capital markets in FY26. Equity performance is expected to be supported by domestic-demand-driven sectors, while easing inflation improves the appeal of fixed-income instruments due to stable real yields. However, persistent external sector challenges — particularly elevated import dependence, exchange-rate sensitivity, and global commodity swings — will remain influential risk variables that investors must track closely.

Risks & Key Uncertainties to Monitor

- **Global trade tensions & tariffs:** Escalating protectionism or tariff wars — especially between large economies — could hurt India's exports and external demand, undermining growth and current-account stability.
- **Commodity & energy price volatility:** Spikes in crude oil, essential commodities, or food items (due to global supply shocks or local supply disruptions) could reignite inflation, pressurize margins, and force policy tightening.
- **Currency volatility & capital flow risks:** A rapid depreciation of the rupee — triggered by a widening trade deficit or global risk-off — could increase import costs, feed into inflation, and create uncertainty in foreign investment flows.
- **Global macroeconomic slowdown:** A slowdown in key global economies could reduce demand for Indian exports (goods/services), suppress remittances, and reduce foreign capital inflows, affecting growth and investment trends.
- **Domestic structural bottlenecks:** Delays in implementation of reforms (GST rationalization, infrastructure investment, agriculture-linked policies), weak monsoon, or supply-chain disruptions could hamper potential growth and undermine consumer/industry confidence.

Implications for HDFC Securities & Institutional Strategy

- **Focus on domestic-demand driven sectors for equity recommendations:** Consumer goods, consumer durables, housing & real estate, infrastructure, capital goods, and rural-oriented products/services are likely beneficiaries of stable growth, contained inflation, and rising consumption.
- **Fixed-income & hybrid products may gain appeal:** With stable inflation and interest rates, sovereign and high-grade corporate bonds may offer attractive risk-adjusted returns. Advising clients toward a balanced portfolio (equity + fixed income) can mitigate volatility.
- **Be cautious on export- or commodity-linked firms:** Given global uncertainties, firms dependent on exports or exposed to imported inputs face margin risks — a more selective allocation is prudent.
- **Monitor macro risks & global developments:** Currency movements, global trade developments, commodity prices, and global capital flows will continue to influence market sentiment — dynamic, alert risk management and active portfolio rebalancing will matter.
- **Leverage structural reforms & domestic reforms momentum:** GST rationalization, improved infrastructure investment, rural demand strength, and supportive fiscal/monetary policy may create pockets of secular growth — suitable for long-term investments, sectoral funds, and thematic plays (e.g. infrastructure, financial inclusion, rural consumption).

Formulae Used

$$\text{EBITDA Margin} = \frac{\text{EBITDA}}{\text{Sales}}$$

$$\text{PBT Margin} = \frac{\text{PBT}}{\text{Sales}}$$

$$\text{EBIT Margin} = \frac{\text{EBIT}}{\text{Sales}}$$

$$\text{ROE/RoNW} = \frac{\text{PAT}}{\text{Shareholders' funds}}$$

$$\text{PAT MARGIN} = \frac{\text{PAT}}{\text{Sales}}$$

$$\text{RoA} = \frac{\text{PAT}}{\text{Total Assets}}$$

$$\text{BVPS} = \frac{\text{Shareholders' Funds}}{\text{Total no. of equity shares}}$$

$$\text{Total assets turnover} = \frac{\text{Turnover}}{\text{Total assets}}$$

$$\text{Dividend yield} = \frac{\text{Dividend}}{\text{Price}}$$

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{EPS} = \frac{\text{Earnings per share}}{\text{Total no. of equity share}}$$

$$\text{P/E} = \frac{\text{Price}}{\text{Earnings}}$$

Disclaimer

The figures as on 31 March 2025 have been sourced from the Company's Annual Report. This material has been prepared for information purposes only and is based on publicly available information, internally developed data, data obtained from the NSE website, and other openly available and reliable sources. However, we do not warrant the completeness, accuracy, or reliability of the information contained herein.

This document does not constitute an offer to sell or a solicitation to buy any security or financial instrument. Any reference to products, funds, or securities merely represents instruments that we deal in on an execution-only basis and should not be construed as recommendations.

Investors are strongly advised to consult their own investment advisors and not make investment decisions solely based on this publication. Individual financial advice based on one's specific risk profile should be obtained before acting on any information contained herein. Investors remain solely responsible for their investment decisions, aligned with their objectives and risk appetite, and we shall not be liable for any consequences arising from such decisions.

We may have current or future positions in the securities mentioned in this report and may offer to buy or sell such securities or related investments. We do not guarantee the performance of any security covered in this material and accept no responsibility for any loss or damage arising from investment in such securities.