

# ANNUAL REPORT

# 2024-2025



# DIRECTOR'S REPORT

## TO THE MEMBERS

Your Directors are pleased to present the 1st Annual Report on the business and operations of the Company together with audited accounts for the year ended 31<sup>st</sup> March 2025.

## FINANCIAL RESULTS AS PER IND AS

(Amount in lakhs)

| Particulars                                | Year ended      |
|--------------------------------------------|-----------------|
|                                            | 31st March 2025 |
| Profit/(Loss) before tax                   | (87)            |
| Provision for Tax                          | -               |
| Profit/(Loss) after tax                    | (87)            |
| Other Comprehensive Income (net of tax)    | -               |
| Balance brought forward from previous year | -               |
| <b>Balance carried to Balance Sheet</b>    | <b>(87)</b>     |

## BUSINESS OVERVIEW

HDFC Securities IFSC Limited ("HSIL") is a wholly owned subsidiary Company of HDFC Securities Limited ("HSL") and was incorporated on 1st October 2024. HSIL received the letter of approval from the Development Commissioner of GIFT SEZ on 23rd December 2024 and in-principal approval from IFSC authority on 4th June 2025 to act as a Broker Dealer in accordance with International Financial Services Centres Authority (Capital Market Intermediary) Regulation 2025.

The Company has received final registration certificate from International Financial Services Centres Authority (IFSCA) to act as a Broker Dealer on 24th November 2025. Pursuant to said registration, the Company has applied for membership with NSE International Exchange (NSE IX) and is in the process of completing the required operational and regulatory enablement and shall commence its business operations shortly.

## DETAILS OF HOLDING/SUBSIDIARY/ASSOCIATES COMPANY

The Company, HDFC Securities IFSC Limited is a wholly-owned subsidiary of HDFC Securities Limited, incorporated on 1st October 2024, in GIFT City, Gandhinagar.

## DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2025.

## SHARE CAPITAL

The Authorised share capital of the company is ₹ 30,00,00,000/- (Rupees Thirty Crore Only) divided into 3,00,00,000 (Three Crore only) Equity Shares of ₹10/- (Rupees Ten) each. HDFC Securities Limited and its nominees, have subscribed 1,50,00,000 equity shares of ₹10/- each at aggregating to ₹15,00,00,000/- at the time of incorporation of the Company.

RBI vide email dated October 10, 2025 had accorded its approval for infusion of entire paid-up capital by HDFC Securities Limited (HSL). Accordingly, funds amounting to ₹ 15,00,00,000/- (equivalent in USD) were remitted by HSL through its AD Bank, HDFC Bank Limited, on November 4, 2025.

## TRANSFER TO RESERVES

There was no amount proposed to be transferred to the Reserves.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Kaizad Bharucha (DIN: 02490648), Mr. Indu Bhushan (DIN: 09302960), Mr. Pranab Uniyal (DIN: 08064146) and Mr. Yogesh Darji (DIN: 10795752) were named in the Articles of Association of the Company as the First Directors.

The Board of Directors in its meeting held on 11th April 2025 had appointed following Key Managerial Personnel, w.e.f 15th May 2025, in accordance with the provisions of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a. Mr. Rajiv Narayanan- Chief Financial Officer
- b. Ms. Jyoti Singh- Company Secretary

All the Directors of your Company have confirmed that they are not disqualified for being appointed as Directors as specified under Section 164 of the Companies Act, 2013.

Your Company has been exempted from the provisions of Section 152 (6) & (7) of the Companies Act, 2013 in terms of MCA Notification dated January 4, 2017 and hence none of the Non-Executive Directors of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting.

## DECLARATIONS BY INDEPENDENT DIRECTOR

Your Company has been exempted from the requirement of the appointment of Independent Director. However, as a good governance practice, Mr. Indu Bhushan has been appointed as an Independent Director under sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, the Independent Director possess the requisite integrity, experience, expertise and proficiency required under all applicable laws.

## BOARD MEETINGS

During the financial year 2024-2025, 1 (One) Meeting of the Board of Directors of the Company was held on 25th October 2024 and adjourned meeting on 30th October 2025.

The details pertaining to attendance of each Director at the meeting of the Board of Directors held during the financial year 2024-2025 are mentioned below:

| Name of the Director | Nature of Directorship              | Number of Board Meeting |          |
|----------------------|-------------------------------------|-------------------------|----------|
|                      |                                     | Held during Tenure      | Attended |
| Mr. Kaizad Bharucha  | Chairman and Non-Executive Director | 1                       | 1        |
| Mr. Indu Bhushan     | Independent Director                | 1                       | 1        |
| Mr. Yogesh Darji     | Managing Director                   | 1                       | 1        |
| Mr. Pranab Uniyal    | Executive Director                  | 1                       | 1        |

## STATUTORY AUDITORS

M/s. Price Waterhouse, Chartered Accountants LLP (Firm Registration: 012754N/N5000016), Mumbai were appointed as 1st Statutory Auditors of your Company at the Board Meeting held on 25th October 2024 and adjourned meeting held on 30th October 2024 to hold office till the conclusion of the 1st Annual General Meeting of the Company.

Further, pursuant to Section 139 of the Act, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration: 301003E/E300005) are proposed to be appointed as Statutory Auditors of the Company for the term of five consecutive years, from the conclusion of the ensuing 1st Annual General Meeting, till the conclusion of 6th Annual General Meeting

of the Company, subject to approval of shareholders in the ensuing Annual General Meeting. Accordingly, M/s. S.R. Batliboi & Co. LLP, (Firm Registration: 301003E/E300005) have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits specified under the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the Act read with rules made thereunder.

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12)**

During the year under review, no instances of fraud committed against the Company by its officers or employees were reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 to the Board of Directors of the Company.

## **AUDIT QUALIFICATIONS**

During the year under review, there is no audit qualification, reservation, adverse remark or disclaimer in the Company's financial statements by the Auditor. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

## **EXTRACT OF ANNUAL RETURN**

The Company has been exempted from requirement to place a copy of Annual Return on its website in terms of MCA notification dated January 4, 2017.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors hereby state that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. We have selected such accounting policies, applied them consistently, made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2025 and of the profit of the Company for the year ended on that date;
3. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. We have prepared the annual accounts on a going concern basis;
5. We have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
6. We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **INTERNAL FINANCIAL CONTROLS**

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of the business of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY**

Not Applicable

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Details of loans, guarantees or investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the financial statements.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is annexed herewith in Form AOC-2 – Annexure I

## RISK MANAGEMENT POLICY

Your Company has not yet commenced its business operations, however, comprehensive Risk Management Framework will be implemented in due course.

## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

- A. Since the Company does not carry out any manufacturing activities, particulars to be disclosed with respect to the conservation of energy and technology absorption under Section 134(q) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable.
- B. Foreign Exchange expenditure details are as below further during the year, there were no foreign exchange earnings.

(₹ in lakhs)

|                              |       |
|------------------------------|-------|
| Foreign Exchange Outgo (Net) | 68.05 |
|------------------------------|-------|

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

## SECRETARIAL AUDIT

Not Applicable

## STATEMENT ON CHANGE IN NATURE OF BUSINESS

There is no change in the business of the company during the Financial Year 2024-25.

## DETAILS IN RESPECT OF FRAUDS / DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE OPERATIONS.

There are no significant material orders passed by the regulators or courts or tribunals impacting the going concern status and the company's operations in future operations.

## VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Not Applicable

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Since, as at March 31, 2025 there are no employees on Company's payroll, the disclosure required under POSH is not applicable to the Company.

## SECRETARIAL STANDARDS

Your Company has been exempted from requirement to comply with the Secretarial Standards issued by the Institute of Company Secretaries of India pursuant to MCA notification dated January 4, 2017.

## ACKNOWLEDGEMENT AND APPRECIATION

Your Directors would like to place on record their appreciation for all the guidance and co-operation received from the banks, Government authorities and members during the year under review.

Your Directors would like to convey their gratitude to HDFC Securities Limited (holding company) and look forward to their continued support.

On behalf of the Board of Directors

Place: Mumbai  
Date: December 24, 2025

Pranab Uniyal  
Director

Yogesh Darji  
Managing Director

**Annexure I**  
**FORM NO. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis : Nil
2. Details of material contracts or arrangements or transactions at arm's length basis

|   |                                                                                            |                                                                                                                                                                                                                    |
|---|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a | Name(s) of the related party and nature of relationship                                    | Ultimate Holding Company:<br>HDFC Bank Limited<br>Holding Company:<br>HDFC Securities Limited                                                                                                                      |
| b | Nature of contracts / arrangements / transactions                                          | Normal business transactions with the holding Company are in the form of reimbursement of expenses and issuance of share capital (Mentioned in the notes forming part of the financial statements at Note no. 15). |
| c | Duration of the contracts / arrangements / transactions.                                   | Usually annual, however, depends on the nature of transaction.                                                                                                                                                     |
| d | Salient terms of the contracts or arrangements or transactions including the value, if any | Maintained at arm's length similar to third party contracts. Value of such transactions during the financial year is mentioned in the notes forming part of the financial statements at Note no. 15.               |
| e | Justification for entering into such contracts or arrangements or transactions.            | To enable smooth operations, comply with regulatory requirements and planned business activities.                                                                                                                  |
| f | Date (s) of approval by the Board, if any                                                  | N.A.                                                                                                                                                                                                               |
| g | Amount paid as advances, if any                                                            | N.A.                                                                                                                                                                                                               |

**On behalf of the Board of Directors**

Place: Mumbai  
Date: December 24, 2025

Pranab Uniyal  
Director

Yogesh Darji  
Managing Director

# INDEPENDENT AUDITOR'S REPORT

## To the Members of HDFC Securities IFSC Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of HDFC Securities IFSC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period October 1, 2024 (Date of Incorporation) to March 31, 2025, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. 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 ("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, 2025, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the period October 1, 2024 (Date of Incorporation) to March 31, 2025.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 opinion.

#### Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of management and those charged with governance for the financial statements**

5. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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, 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.
6. 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.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

8. 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.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
  - 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.

10. 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.

#### **Report on other legal and regulatory requirements**

11. 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 A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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 that for the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India and except for the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- 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 Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- g. Clause (i) of Section 143(3) on internal financial controls with reference to financial statements is not applicable pursuant to notification G.S.R 583(E) dated 13 June 2017.
- h. 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 does not have any pending litigations which would impact its financial position. Refer Note 22 of 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 during the period October 1, 2024 (Date of Incorporation) to March 31, 2025.

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 person(s) or entity(ies), 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 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 (Refer Note 21(g) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, 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 (Refer Note 21(h) to the financial statements); and

(c) Based on such audit procedures that we 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 Company has not declared or paid any dividend during the period October 1, 2024 (Date of Incorporation) to March 31, 2025.

vi. Based on our examination, which included test checks, the company has used an accounting software for maintaining its books of account which does not have a feature of recording audit trail (edit log) facility. Accordingly, the question of our commenting on whether the audit trail feature had operated throughout the period October 1, 2024 (Date of Incorporation) to March 31, 2025 or was tampered with, does not arise. As the current financial period October 1, 2024 to March 31, 2025 is the first year of incorporation of the Company, reporting on Company’s preservation of audit trail as per the statutory requirements for record retention does not apply. Refer Note 23 to the Financial Statements.

13. In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to the Company by virtue of notification no. G.S.R. 08(E) dated January 4, 2017 issued by the Ministry of Corporate Affairs, which grants exemptions to certain provisions of the Act. Accordingly, the reporting under Section 197(16) of the Act is not applicable. Also, refer Note 1 to the financial statements.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Sameer Bora**

Partner

Membership Number: 131945

UDIN: 25131945BMOKAW6631

Mumbai

July 15, 2025

### Annexure A to Independent Auditors' Report

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company does not have any Property, Plant and Equipment and accordingly, reporting under clause 3(i)(a)(A) of the Order is not applicable to the Company.
  - (B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The Company does not have any Property, Plant and Equipment and accordingly, reporting under clause 3(i)(b) of the Order is not applicable to the Company.
- (c) The Company does not own any immovable properties (Refer Note 21(l) to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company does not have any Property, Plant and Equipment and accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
  - (b) During the period October 1, 2024 (Date of Incorporation) to March 31, 2025, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (l) of Section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, undisputed statutory dues including income-tax have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. However, there are no arrears of statutory dues outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.
  - (b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the period October 1, 2024 (Date of Incorporation)

- to March 31, 2025, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period October 1, 2024 (Date of Incorporation) to March 31, 2025. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period October 1, 2024 (Date of Incorporation) to March 31, 2025. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the period October 1, 2024 (Date of Incorporation) to March 31, 2025. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the period October 1, 2024 (Date of Incorporation) to March 31, 2025. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi.(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the period October 1, 2024 (Date of Incorporation) to March 31, 2025, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the period October 1, 2024 (Date of Incorporation) to March 31, 2025 by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. In our opinion, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is 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, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the period October 1, 2024 (Date of Incorporation) to March 31, 2025. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs. 88 Lakhs in the financial period October 1, 2024 (Date of Incorporation) to March 31, 2025. The current financial period October 1, 2024 (Date of Incorporation) to March 31, 2025 being the first year of incorporation of the Company, reporting under Clause (xvii) to the extent it relates to the immediately preceding financial year, is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the period October 1, 2024 (Date of Incorporation) to March 31, 2025 and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. The financial ratios prescribed under Division III of Schedule III of the Act are not applicable to the Company (Refer Note 21(a) to the financial statements). On the basis of the ageing and expected dates of realisation 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 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.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. As stated in Note 21(p) to the Financial Statements, the Company does not have subsidiaries or joint ventures or associate companies and does not prepare Consolidated Financial Statements. Accordingly, the reporting under clause 3(xxi) of the Order is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

**Sameer Bora**  
Partner  
Membership Number: 131945  
UDIN: 25131945BMOKAW6631

Mumbai  
July 15, 2025

**Balance Sheet As at 31 March 2025**

(All amounts in Rs. lakhs, unless otherwise stated)

| Particulars                                                                              | Note | As at 31 March 2025 |
|------------------------------------------------------------------------------------------|------|---------------------|
| <b>ASSETS</b>                                                                            |      |                     |
| <b>Financial assets</b>                                                                  |      |                     |
| Cash and cash equivalents                                                                | 4    | -                   |
| Other financial assets                                                                   | 5    | 1,506               |
| <b>TOTAL ASSETS</b>                                                                      |      | <b>1,506</b>        |
|                                                                                          |      |                     |
| <b>LIABILITIES AND EQUITY</b>                                                            |      |                     |
| <b>LIABILITIES</b>                                                                       |      |                     |
| <b>Financial liabilities</b>                                                             |      |                     |
| Payables                                                                                 | 6    | -                   |
| <b>Trade payables</b>                                                                    |      |                     |
| - total outstanding dues of micro enterprises and small enterprises                      |      | -                   |
| - total outstanding dues of creditors other than micro enterprises and small enterprises |      | 93                  |
|                                                                                          |      | 93                  |
| <b>Non-financial liabilities</b>                                                         |      |                     |
| Other non-financial liabilities*                                                         | 7    | 0                   |
|                                                                                          |      | 0                   |
| <b>Equity</b>                                                                            |      |                     |
| Equity share capital                                                                     | 8    | 1,500               |
| Other equity                                                                             | 9    | (87)                |
|                                                                                          |      | 1,413               |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                                      |      | <b>1,506</b>        |

\*Amounts below rounding off norm of the company

The accompanying notes form an integral part of this financial statements.

As per our report of even date.

 For Price Waterhouse Chartered Accountants LLP  
 ICAI Firm Registration Number: 012754N/N500016

 For and on behalf of the Board of Directors of  
**HDFC Securities IFSC Limited**  
 CIN Number: U64990GJ2024PLC155489

 Sameer Bora  
 Partner  
 Membership No: 131945

 Yogesh Darji  
 Managing Director  
 DIN:10795752

 Rajiv Narayanan  
 Chief Financial Officer

 Place: Mumbai  
 Date: July 15, 2025

 Pranab Uniyal  
 Director

 Jyoti Singh  
 Company Secretary

 Place: Mumbai  
 Date: July 12, 2025

**Statement of Profit and Loss for the period 1 October 2024 (Date of Incorporation) to 31 March 2025**

(All amounts in Rs. lakhs, unless otherwise stated)

| Particulars                                                  | Note | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
|--------------------------------------------------------------|------|------------------------------------------------------------------------|
| <b>Total revenue from operations</b>                         |      |                                                                        |
| Other income*                                                | 10   | 0                                                                      |
| <b>Total income*</b>                                         |      | <b>0</b>                                                               |
| <b>Expenses</b>                                              |      |                                                                        |
| Employee Benefits Expenses                                   | 11   | 31                                                                     |
| Other expenses                                               | 12   | 56                                                                     |
| <b>Total expenses</b>                                        |      | <b>87</b>                                                              |
| <b>Loss before tax</b>                                       |      | <b>(87)</b>                                                            |
| <b>Total tax expense</b>                                     |      | <b>-</b>                                                               |
| <b>Loss for the period</b>                                   |      | <b>(87)</b>                                                            |
| <b>Other comprehensive income :</b>                          |      |                                                                        |
| Items that will be reclassified to profit or loss:           |      |                                                                        |
| Foreign Currency Translation Reserve*                        |      | (0)                                                                    |
| Other comprehensive income for the year, net of tax*         |      | (0)                                                                    |
| <b>Total comprehensive income for the period, net of tax</b> |      | <b>(87)</b>                                                            |
| Deficit per equity share - [Nominal value per share Rs. 10]  |      |                                                                        |
| <b>Basic (in ₹)</b>                                          | 19   | <b>(0.58)</b>                                                          |
| <b>Diluted (in ₹)</b>                                        |      | <b>(0.58)</b>                                                          |

\*Amounts below rounding off norm of the company

The accompanying notes form an integral part of this financial statements.

As per our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
 ICAI Firm Registration Number: 012754N/N500016

 For and on behalf of the Board of Directors of  
**HDFC Securities IFSC Limited**  
 CIN Number: U64990GJ2024PLC155489

**Sameer Bora**  
 Partner  
 Membership No: 131945

**Yogesh Darji**  
 Managing Director  
 DIN:10795752

**Rajiv Narayanan**  
 Chief Financial Officer

**Place: Mumbai**  
 Date: July 15, 2025

**Pranab Uniyal**  
 Director

**Jyoti Singh**  
 Company Secretary

**Place: Mumbai**  
 Date: July 12, 2025

## Statement of Cash Flows for the period 1 October 2024 (Date of Incorporation) to 31 March 2025

(All amounts in Rs. lakhs, unless otherwise stated)

| Particulars                                                     | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
|-----------------------------------------------------------------|------------------------------------------------------------------------|
| <b>Operating activities</b>                                     |                                                                        |
| Loss before tax                                                 | (87)                                                                   |
|                                                                 | (87)                                                                   |
| <b>Working capital adjustments:</b>                             |                                                                        |
| Decrease/ (Increase) in other financial assets                  | (6)                                                                    |
| (Decrease)/ Increase in trade and other payables                | 93                                                                     |
| (Decrease)/ Increase in non-financial liabilities*              | 0                                                                      |
| Net Cash used in operating activities*                          | 0                                                                      |
| Income tax paid                                                 | -                                                                      |
| <b>Net Cash Flow (used in) / from operating activities* (A)</b> | <b>0</b>                                                               |
| <b>Investing activities</b>                                     |                                                                        |
| <b>Net cash flows from investing activities (B)</b>             | <b>-</b>                                                               |
| <b>Financing activities:</b>                                    |                                                                        |
| Proceeds from Issuance of equity share capital (Refer Note 8)   | -                                                                      |
| <b>Net cash flow from financing activities (C)</b>              | <b>-</b>                                                               |
| Net increase in cash and cash equivalents (A+B+C)*              | 0                                                                      |
| Cash and Cash equivalents at the beginning of the period        | -                                                                      |
| Foreign Currency Translation Reserve*                           | (0)                                                                    |
| Cash and Cash equivalents at the end of the period              | -                                                                      |
| <b>Components of cash and cash equivalents</b>                  |                                                                        |
| Balances with Banks - In current accounts (Refer Note 4)        | -                                                                      |
| Cash and Cash equivalents at the end of the period              | -                                                                      |

\*Amounts below rounding off norm of the company

The above statement of cash flows have been prepared under the indirect method as set out in IND AS 7 on Statement of Cash Flows. The above statement of cash flows should be read in conjunction with the financial statements and the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP  
ICAI Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of  
**HDFC Securities IFSC Limited**  
CIN Number: U64990GJ2024PLC155489

**Sameer Bora**  
Partner  
Membership No: 131945

**Yogesh Darji**  
Managing Director  
DIN:10795752

**Rajiv Narayanan**  
Chief Financial Officer

Place: Mumbai  
Date: July 15, 2025

**Pranab Uniyal**  
Director

**Jyoti Singh**  
Company Secretary

Place: Mumbai  
Date: July 12, 2025

Statement of Changes in Equity for the period 1 October 2024 (Date of Incorporation) to 31 March 2025

Equity shares of Rs. 10 each issued, subscribed and fully paid

Amounts in ₹ lakhs

| Particulars                                                 | Number of shares   | Amount       |
|-------------------------------------------------------------|--------------------|--------------|
| <b>Balance as at 1 October 2024 (Date of Incorporation)</b> | -                  | -            |
| Shares issued during the period                             | 1,50,00,000        | 1,500        |
| <b>Balance as at 31 March 2025</b>                          | <b>1,50,00,000</b> | <b>1,500</b> |

Other Equity

| Particulars                                                 | Reserves and Surplus                 |                   | Total       |
|-------------------------------------------------------------|--------------------------------------|-------------------|-------------|
|                                                             | Foreign Currency Translation Reserve | Retained Earnings |             |
| <b>Balance as at 1 October 2024 (Date of Incorporation)</b> |                                      | -                 | -           |
| Loss for the period                                         | -                                    | (87)              | (87)        |
| Transfer to Foreign Currency Translation Reserve*           | (0)                                  | -                 | (0)         |
| <b>Balance as at 31 March 2025</b>                          | <b>(0)</b>                           | <b>(87)</b>       | <b>(87)</b> |

\*Amounts below rounding off norm of the company

The above statement of changes in Equity should be read in conjunction with the accompanying notes. This is the statement of changes in Equity referred to in our report of even date.

As per our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
ICAI Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of  
**HDFC Securities IFSC Limited**  
CIN Number: U64990GJ2024PLC155489

**Sameer Bora**  
Partner  
Membership No: 131945

**Yogesh Darji**  
Managing Director  
DIN:10795752

**Rajiv Narayanan**  
Chief Financial Officer

**Place: Mumbai**  
Date: July 15, 2025

**Pranab Uniyal**  
Director

**Jyoti Singh**  
Company Secretary

**Place: Mumbai**  
Date: July 12, 2025

## Notes to the Financial Statement for the period 1 October 2024 (Date of Incorporation) to 31 March 2025

### 1. Corporate Information

HDFC Securities IFSC Limited (the “Company”) is a public limited company incorporated in India on October 1, 2024 and is a wholly owned subsidiary of HDFC Securities Limited (the “Parent”). The Company has filed an application with the International Financial Services Centers Authority (IFSCA) on 14 November 2024 to register as Broker Dealer and Distributor in accordance with the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations and received in-principle approval from IFSCA on 4 June 2025. The Company will be engaged in a single line of business as a provider of broking and distributions services to its clients at Gift City Capital market. The Company has complied with the provisions of the Companies Act, 2013 to the extent applicable read with Notification No. G.S.R. 08(E) dated January 04, 2017 issued by Ministry of Corporate Affairs, which grants exemptions to certain provisions of the Act.

### 2. Basis of preparation

#### 2.1. Compliance with IND AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention except for certain financial instruments, which are measured at fair value. The Ind AS financial statements of the company have been prepared in accordance with notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

Details of Companies Accounting Policies are included in Note 3.

#### 2.2. Functional and presentation currency

US Dollar (USD) is the currency of the primary economic environment in which the Company operates and hence the functional currency of the Company.

The financial statements are presented in Indian Rupees (INR), which is the Company’s presentation currency. It is necessary for the results and financial position of each individual entity included in the consolidated financial statements of the Holding Company Group to be translated into the currency in which the Holding Company present its financial statements. As the Holding Company presents its financial statements in Indian Rupees (INR), the Company’s financial statements are translated into Indian Rupees (INR). Additionally, the same is in compliance with Income Tax Act, 1961 and other statutory laws.

All amounts have been rounded - off to the nearest amount in lakhs, unless otherwise stated.

#### 2.3 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of Profit or Loss. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

#### 2.4 Translation to presentation currency (Foreign Currency Translation Reserve)

For the purpose of preparation of financial statements in Indian Rupees (INR), the assets and liabilities of the Company are translated into Indian Rupees (INR) using the rate of exchange prevailing at the reporting date and its Statement of Profit and Loss is translated using an average rate to translate income and expense items. The exchange differences arising from the translation of financial statements of the Company is recognised in Other Comprehensive Income (OCI) and is presented within other equity as foreign currency translation reserve.

#### 2.5. Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### 2.6 Recent Accounting Developments:

##### Standards issued/ amended but not yet effective

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback — Amendments to Ind AS 116

These amendments are not applicable to the Company from October 1, 2024 (Date of Incorporation).

## 2.7. Critical estimates and 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. Impairment of financial assets

The Company assess on the forward looking basis the expected credit losses associated with the financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets 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.

## 3. Material accounting policies

### 3.1 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.

### 3.2 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.

### l) Current Tax

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.

### ii) Deferred Tax

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.

### 3.3. 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.

### 3.4. 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 of financial assets and financial liabilities

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

All the financial assets and financial liabilities are initially measured at fair value. A financial asset or financial liability which is not recognised at Fair Value Through Profit or Loss, is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Trade receivables that do not contain a significant financing component are initially measured at transaction price.

#### 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 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 if it meets both of the following conditions and is not designated at FVTPL:**

**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) upto its maturity.

**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 asset is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:**

**Business Model Test:** The objective of the Company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

**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.

However, on initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI) (designated as measured at FVOCI — equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Subsequent Measurement and the gains and losses.**

**Financial assets at amortised cost:** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

**Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, any interest or dividend income, are recognised and are presented separately in the Statement of Profit and Loss.

### **Classification, subsequent measurement, gains and losses of financial liabilities**

Equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Financial liabilities are classified as measured at amortised cost or FVTPL. A Financial Liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and 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.

#### **3.5. 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.

#### **3.6. Earning/ (Deficit) per Share**

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

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

#### **3.7. Segment Reporting**

Operating segments are required to be reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Board of Directors who has been identified as the chief operating decisions maker.

The Company's is yet to commence its business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

#### **3.8. Comparative period information**

This is the first financial statement after incorporation. Hence, comparative period information is not available.

**Notes to the Financial Statement for the period 1 October 2024 (Date of Incorporation) to 31 March 2025**
**Note 4: Cash and cash equivalents**

(₹ in lacs)

| Particulars               | As at<br>31 March 2025 |
|---------------------------|------------------------|
| (i) Cash in hand          | -                      |
| (ii) Balances with Banks* | -                      |
| <b>Total</b>              | <b>-</b>               |

# Refer note 8(vi).

**Note 5: Other financial assets**

(₹ in lacs)

| Particulars                | As at<br>31 March 2025 |
|----------------------------|------------------------|
| Unsecured, considered good |                        |
| Security Deposits          | 6                      |
| Other receivables#         | 1,500                  |
| <b>Total</b>               | <b>1,506</b>           |

# Receivables from related party.

**Note 6: Payables**

(₹ in lacs)

| Particulars                                                                 | As at<br>31 March 2025 |
|-----------------------------------------------------------------------------|------------------------|
| Total outstanding dues to Micro enterprise and small enterprises            | -                      |
| Total outstanding dues of other than Micro enterprise and small enterprises | -                      |
| Payable to Creditors #                                                      | 93                     |
| <b>Total</b>                                                                | <b>93</b>              |

# Payable to related party amounting to Rs.74,91,995

**Trade Payables ageing schedule as at 31 March 2025**
**Outstanding for the following period from the due date of payments**

(₹ in lacs)

| Particulars                | Less than 1<br>year | 1-2 years | 2-3 years | More than 3<br>years | Total |
|----------------------------|---------------------|-----------|-----------|----------------------|-------|
| i) Undisputed - MSME       | -                   | -         | -         | -                    | -     |
| ii) Undisputed - Others    | 93                  | -         | -         | -                    | 93    |
| ii) 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.

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

(₹ in lacs)

| Particulars                                                                                                                                                                                                         | As at<br>31 March 2025 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| (a) The principal amount remaining unpaid to any supplier as at the end of the accounting period                                                                                                                    |                        |
| (b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting period                                                                                                                |                        |
| (c) The amount of interest paid, along with the amount of payment made to the supplier beyond the appointed day during the period                                                                                   |                        |
| (d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act |                        |
| (e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting period                                                                                                         |                        |
| (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                                                                   |                        |

**Note 7 : Other non-financial liabilities**

(₹ in lacs)

| Particulars                                      | As at<br>31 March 2025 |
|--------------------------------------------------|------------------------|
| Statutory Dues including tax deducted at source* | -                      |
| <b>Total</b>                                     | <b>-</b>               |

\*Amounts below rounding off norm of the company

**Note 8 : Equity Share Capital**

(₹ in lacs)

| Particulars                                             | As at 31 March 2025 |              |
|---------------------------------------------------------|---------------------|--------------|
|                                                         | Number              | Amount       |
| <b>Authorised</b>                                       |                     |              |
| Equity Shares of Rs.10 (Face Value) each                | 3,00,00,000         | 3,000        |
| <b>Issued, Subscribed &amp; Paid-up</b>                 |                     |              |
| Equity Shares of Rs. 10 (Face Value) each Fully Paid-up | 1,50,00,000         | 1,500        |
| <b>Total</b>                                            | <b>1,50,00,000</b>  | <b>1,500</b> |

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

(₹ in lacs)

| Particulars                                        | As at 31 March 2025 |        |
|----------------------------------------------------|---------------------|--------|
|                                                    | Number              | Amount |
| Balance outstanding at the beginning of the period | -                   | -      |
| Add: Shares issued during the period               | 1,50,00,000         | 1,500  |
| Shares outstanding at the end of the period        | 1,50,00,000         | 1,500  |

The shares have been issued and subscribed and fully paid up as on balance sheet date. However, in the absence of an in-principle approval from IFSCA, capital could be brought into the company as of the balance sheet date. The company received its in-principle approval from IFSCA on 4 June 2025. Once the capital is infused, the Company shall transfer the shares to the shareholder.

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

The Company has one class of equity shares having a par value of Rs 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 2025 |              |
|-------------------------|---------------------|--------------|
|                         | Number              | Amount       |
| HDFC SECURITIES LIMITED | 1,50,00,000         | 1,500        |
| <b>Total</b>            | <b>1,50,00,000</b>  | <b>1,500</b> |

The Company is a wholly owned subsidiary of HDFC Securities Limited. The shares are held by HDFC Securities and six nominee shareholders (1 share each of face value Rs. 10) of HDFC Securities Limited on their behalf. HDFC Securities Limited continues to hold the beneficial ownership in the shares and shall make the entire capital contribution in the Company.

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

| Particulars             | As at 31 March 2025 |              |
|-------------------------|---------------------|--------------|
|                         | No. of Shares held  | % of Holding |
| HDFC SECURITIES LIMITED | 1,50,00,000         | 99.9996      |

**(v) Shares held by promoters at the end of the period**

| Promoter Name           | No of Shares | % of shares | % Change during the period * |
|-------------------------|--------------|-------------|------------------------------|
| HDFC SECURITIES LIMITED | 1,50,00,000  | 99.9996     | -                            |

\*The company is incorporated on 1 October 2024. Hence there is no change during the period.

**(vi) Shares allotted as fully paid up without payment being received in cash**

As at March 31, 2025, the Company has authorized 30,000,000 equity shares of Rs. 10 each. The company is a wholly owned subsidiary of the HDFC Securities Limited. The shares were allotted on 1 October 2024 and subsequently issued on 29 November 2024. As at March 31, 2025, the consideration in cash for these shares had not been received due to operational reasons pertaining to transfer of the funds. The consideration is therefore reflected in the Balance Sheet in the "Other financial assets" line item.

**Note 9 : Other Equity**

(₹ in lacs)

| Particulars                                       | As at 31 March 2025 |
|---------------------------------------------------|---------------------|
| Loss for the year                                 | (87)                |
| Transfer to Foreign Currency Translation Reserve* | (0)                 |
| <b>Total</b>                                      | <b>(87)</b>         |

\*Amounts below rounding off norm of the company

**Retained Earnings**

(₹ in lacs)

| Particulars                                            | As at 31 March 2025 |
|--------------------------------------------------------|---------------------|
| Opening Balance                                        | -                   |
| Add: Net Loss for the period                           | (87)                |
| Add: Transfer to Foreign Currency Translation Reserve* | (0)                 |
| <b>Closing Balance</b>                                 | <b>(87)</b>         |

\*Amounts below rounding off norm of the company

**Retained Earnings**

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

**Foreign Currency Translation Reserve**

The net impact of changes for the purpose of preparation of financial statement in presentation currency (INR) from functional currency (USD) wherein income and expenses are translated at average rate and the assets and liabilities except equity shares are stated at closing rate is presented under foreign exchange translation reserve.

**Note 10 : Other Income**

(₹ in lacs)

| Particulars           | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
|-----------------------|------------------------------------------------------------------------|
| Miscellaneous income* | 0                                                                      |
| <b>Total</b>          | <b>0</b>                                                               |

\*Amounts below rounding off norm of the company

**Note 11 : Employee Benefit Expenses**

(₹ in lacs)

| Particulars                                | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
|--------------------------------------------|------------------------------------------------------------------------|
| Staff deputation cost from holding company | 31                                                                     |
| <b>Total</b>                               | <b>31</b>                                                              |

Employees of HDFC Securities Limited (HSL) have been deputed to HDFC Securities IFSC Limited (HSIL). The deputation costs is paid by HSL and will be recovered from HSIL.

### Note 12 : Other expenses

(₹ in lacs)

| Particulars                                   | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
|-----------------------------------------------|------------------------------------------------------------------------|
| Stamp duty, registration and trading expenses | 30                                                                     |
| Legal and Professional charges                | 1                                                                      |
| Rent, taxes and energy costs                  | 6                                                                      |
| Auditor's fees and expenses (Refer Note 13)   | 3                                                                      |
| Printing and stationery*                      | 0                                                                      |
| Data Centre and Communication Costs           | 15                                                                     |
| Miscellaneous expenses                        | 1                                                                      |
| <b>Total</b>                                  | <b>56</b>                                                              |

\*Amounts below rounding off norm of the company

All expenses of the Company incurred by the Parent will be reimbursed post infusion of capital.

### Note 13 : Auditors Remuneration

(₹ in lacs)

| Particulars                   | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
|-------------------------------|------------------------------------------------------------------------|
| Auditor                       | 3                                                                      |
| For other services            | -                                                                      |
| For reimbursement of expenses | -                                                                      |
| <b>Total</b>                  | <b>3</b>                                                               |

### Note 14 : Income Tax

#### A. Amounts recognised in profit or loss

(₹ in lacs)

| Particulars                                       | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
|---------------------------------------------------|------------------------------------------------------------------------|
| Current Tax                                       | -                                                                      |
| Deferred Tax                                      |                                                                        |
| Origination and reversal of temporary differences | -                                                                      |
| <b>Income Tax expense for the period</b>          | <b>-</b>                                                               |

Considering the company has incurred losses for the period from 1 October 2024 to 31 March 2025, hence does not carry any current tax provision.

**B. Income tax recognised in other comprehensive income**

(₹ in lacs)

| Particulars                                         | Before tax | Tax (expense) | Net of tax |
|-----------------------------------------------------|------------|---------------|------------|
| Remeasurements of defined benefit liability (asset) | -          | -             | -          |
| Foreign Currency Translation Reserve                | -          | -             | -          |
| <b>Total</b>                                        | -          | -             | -          |

**C. Reconciliation of effective tax rate**

(₹ in lacs)

| Particulars                 | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
|-----------------------------|------------------------------------------------------------------------|
| Loss before income tax      | (87)                                                                   |
| Company's domestic tax rate | 25.17%                                                                 |
| <b>Tax Effect of/on</b>     |                                                                        |
| Others                      | -                                                                      |
| <b>Total Tax Expense</b>    | -                                                                      |

D. The Company has not recognised deferred tax assets in respect of current period tax losses considering the same may not be utilised within the statutory time limit.

**Note 15 : Related Party Disclosures**

**A.**

|                |                         |
|----------------|-------------------------|
| Parent Company | HDFC Securities Limited |
|----------------|-------------------------|

**B.**

|                          |                   |
|--------------------------|-------------------|
| Ultimate Holding Company | HDFC Bank Limited |
|--------------------------|-------------------|

**C. List of Key Management Personnel (KMP):**

|                        |                                                      |
|------------------------|------------------------------------------------------|
| Yogesh Bhogilal Darji  | Managing Director (w.e.f 1 October 2024)             |
| Indu Bhushan           | Director (w.e.f 1 October 2024)                      |
| Pranab Uniyal          | Director (w.e.f 1 October 2024)                      |
| Kaizad Maneck Bharucha | Nominee Director of HDFC Bank (w.e.f 1 October 2024) |

**D.**

(₹ in lacs)

| Particulars                                           | HDFC Securities Limited                                                |
|-------------------------------------------------------|------------------------------------------------------------------------|
|                                                       | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
| <u>Transactions during the period :</u>               |                                                                        |
| Issuance of share capital                             | 1500                                                                   |
| Receiving of services (including payment of expenses) | 75                                                                     |
| <u>Balances Outstanding :</u>                         | As at 31 March 2025                                                    |
| Payables                                              | 75                                                                     |
| Receivable                                            | 1500                                                                   |

(₹ in lacs)

| KMP, Directors, Their Relatives and Entities in which KMP are interested | For the period 1 October 2024 (Date of Incorporation) to 31 March 2025 |
|--------------------------------------------------------------------------|------------------------------------------------------------------------|
| Nature of Transaction                                                    |                                                                        |
| Managerial Remuneration & Perquisites Paid                               | 14                                                                     |

## Note 16 : 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 for the period are as follows:

(₹ in lacs)

| 31 March 2025                                           | Carrying amount |                |          | Fair value |          |          |          |
|---------------------------------------------------------|-----------------|----------------|----------|------------|----------|----------|----------|
|                                                         | FVTPL           | Amortised cost | FVOCI    | Level 1    | Level 2  | Level 3  | Total    |
| <b>Financial assets</b>                                 |                 |                |          |            |          |          |          |
| <b>Financial assets measured at fair value</b>          |                 |                |          |            |          |          |          |
| Investments                                             | -               | -              | -        | -          | -        | -        | -        |
| <b>Financial assets not measured at fair value</b>      |                 |                |          |            |          |          |          |
| Cash and cash equivalents                               | -               | -              | -        | -          | -        | -        | -        |
| Other Financial Assets                                  | -               | 1,506          | -        | -          | -        | -        | -        |
| <b>Total</b>                                            | <b>-</b>        | <b>1,506</b>   | <b>-</b> | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> |
| <b>Financial liabilities</b>                            |                 |                |          |            |          |          |          |
| <b>Financial liabilities not measured at fair value</b> |                 |                |          |            |          |          |          |
| Trade Payables                                          | -               | 93             | -        | -          | -        | -        | -        |
| Other financial liabilities                             | -               | 0              | -        | -          | -        | -        | -        |
| <b>Total</b>                                            | <b>-</b>        | <b>93</b>      | <b>-</b> | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> |

\*Amounts below rounding off norm of the company

#### 2. Fair Value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1** - Hierarchy includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

#### 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.

#### 4. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents 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 will be inherent in the Company's activities once it commences business, it will be 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 will be 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 will be 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 will manage and control credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relation 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 for the period is security deposits.

On commencement of business, the management will establish accounts receivable policy under which customer accounts will be regularly monitored and monitor the positions, exposures and margins on a continuous basis.

##### Expected Credit Loss (ECL):

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Inputs considered in the ECL model:

The company categorizes Financial assets into stages based on the days past due status.

- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

The Company has used simplified approach to provide expected credit loss on trade receivables as prescribed by Ind AS 109 which permits use of lifetime expected credit loss provision for all trade receivables."

##### Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which the company operates and other macroeconomic factors. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

##### 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 is yet to receive capital from its shareholders and yet to commence business. Until such time, the Parent Company is incurring expenses which shall be reimbursed later on receipt of the capital.

The following are the remaining contractual maturities of financial liabilities for the period:

### 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           | -               | -                | -         | -         | -                 | -         |
| Total outstanding dues of other than Micro enterprise and small enterprises | -               | -                | -         | -         | -                 | -         |
| Payable to Exchanges                                                        | -               | -                | -         | -         | -                 | -         |
| Payable to Clients                                                          | -               | -                | -         | -         | -                 | -         |
| Payable to Creditors                                                        | 93              | 93               | -         | -         | -                 | 93        |
| Debt Securities (future interest obligation)                                | -               | -                | -         | -         | -                 | -         |
| Borrowings (other than debt securities)                                     | -               | -                | -         | -         | -                 | -         |
| Lease Liabilities (undiscounted)                                            | -               | -                | -         | -         | -                 | -         |
| Other financial liabilities*                                                | 0               | 0                | -         | -         | -                 | 0         |
| <b>Total</b>                                                                | <b>93</b>       | <b>93</b>        | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>93</b> |

\*Amounts below rounding off norm of the company

### 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 operates in Gift City and will be exposed to foreign currency risk arising from foreign currency transactions, primarily with respect to USD. 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 is yet to infuse capital and commence business during the reporting period and accordingly does not have any foreign currency exposure as at the 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 does not have any borrowings, interest bearing deposits with bank or given any loans. Accordingly interest rate risk disclosure is not applicable to the Company.

#### iii. Market price risks

The Company is not exposed to market price risk as there are no investments made by the company during the period. Accordingly, market price risk is not applicable to the Company. "

**Note 17 : Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while optimising the return to stakeholders. Issued capital and other equity reserves are considered for the purpose of Company's capital management. 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. As of March 31, 2025 the Company has only one class of equity shares and has no debt.

(₹ in lacs)

| Particulars                              | As at<br>31 March 2025 |
|------------------------------------------|------------------------|
| Borrowings including debt securities     | -                      |
| Less: Cash and cash equivalents (Note 4) | -                      |
| Net debt (i)                             | -                      |
| Total equity (ii)                        | 1,500                  |
| Total capital (iii = i + ii)             | 1,500                  |

**Note 18 : 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                                                                              | 31 March 2025 | Within 12 months | After 12 months |
|------------------------------------------------------------------------------------------|---------------|------------------|-----------------|
| <b>ASSETS</b>                                                                            |               |                  |                 |
| <b>Financial Assets</b>                                                                  |               |                  |                 |
| Cash and cash equivalents                                                                | -             | -                | -               |
| Other Financial Assets                                                                   | 1,506         | 1,506            | -               |
|                                                                                          | 1,506         | 1,506            | -               |
| <b>Non-Financial Assets</b>                                                              |               |                  |                 |
| Other non-financial assets                                                               | -             | -                | -               |
|                                                                                          | -             | -                | -               |
| <b>TOTAL ASSETS</b>                                                                      | <b>1,506</b>  | <b>1,506</b>     | <b>-</b>        |
| <b>LIABILITIES AND EQUITY</b>                                                            |               |                  |                 |
| <b>LIABILITIES</b>                                                                       |               |                  |                 |
| <b>Financial Liabilities</b>                                                             |               |                  |                 |
| Payables                                                                                 |               |                  |                 |
| Trade Payables                                                                           |               |                  |                 |
| - total outstanding dues of micro enterprises and small enterprises                      | -             | -                | -               |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 93            | 93               | -               |
|                                                                                          | 93            | 93               | -               |
| <b>Non-Financial Liabilities</b>                                                         |               |                  |                 |
| Other non-financial liabilities                                                          | 0             | 0                | -               |
|                                                                                          | 0             | 0                | -               |
| <b>Total Liabilities</b>                                                                 | <b>93</b>     | <b>93</b>        | <b>-</b>        |
| <b>Net Amount</b>                                                                        | <b>1,413</b>  | <b>1,413</b>     | <b>-</b>        |

\*Amounts below rounding off norm of the company

### Note 19 : Earnings per equity share

Computation of basic & diluted earnings per share is given below:

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                                                                   |            | For the period<br>1 October<br>2024 (Date of<br>Incorporation) to 31<br>March 2025 |
|-------------------------------------------------------------------------------|------------|------------------------------------------------------------------------------------|
| Equity shares outstanding at the beginning of the period                      | Nos.       | -                                                                                  |
| Add: Weighted average number of equity shares issued during the period        | Nos.       | 1,50,00,000                                                                        |
| Weighted average number of equity shares for basic earnings per share (a + b) | Nos.       | 1,50,00,000                                                                        |
| Net loss after tax available for equity shareholders                          | ₹ in lakhs | (87)                                                                               |
| Basic and Diluted earnings per share of Rs. 10 each (c/d)                     | ₹          | (0.58)                                                                             |

### Note 20 : Segment Reporting

The Company is yet to commence its business operations. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

### Note 21 : Other Statutory Information

- Considering, the Company is engaged in providing broking services, the financial ratios as prescribed under Division III of Schedule III of the Companies Act, 2013, are not applicable to the Company.
- There are no charges or satisfaction yet to be registered with Registrar of companies beyond the statutory period.
- 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 period 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).
- 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.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the period from 1 October, 2024 to March 31, 2025 .
- The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- During the period ended 31 March, 2025, 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 period ended 31 March, 2025, 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. During the period, the Company has not sanctioned any the working capital limits in excess of Rs. 5 crores, in aggregate, from the entity on the basis of security of current assets. The Company is not required to file quarterly returns or statements with such bank.
- j. The Company has not entered into any scheme of arrangement which has an accounting impact on current financial period.
- 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. The Company has not held any Property, Plant and Equipment and immovable property during the period. Accordingly, the revaluation of Property, Plant and Equipment and intangible assets does not arise.
- m. There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- n. The Company does not have any borrowings from banks and financial institutions secured against current assets.
- o. There is no income surrendered or disclosed as income during the current period in the tax assessments under the Income Tax Act, 1961, that is required to be recorded in the books of account
- p. The Company does not have subsidiaries or joint ventures or associate companies and does not prepare Consolidated Financial Statements.

**Note 22 : Contingent Liabilities**

During the period, there is no contingent liabilities.

**Note 23 : Audit Trail**

The Company is yet to commence its business operations and accordingly has very limited accounting transactions during the period 1 October 2024 (date of Incorporation) to 31 March 2025. The current accounting software does not have the feature of recording audit trail. Basis these facts management believes, there is no impact of this on the financial statements for the period 1 October 2024 (date of Incorporation) to 31 March 2025.

The current financial period October 1, 2024 to March 31, 2025 being the first year of incorporation of the Company, accordingly statutory requirement for preservation of audit trail of the preceding financial year is not applicable.

**Note 24 : 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 Price Waterhouse Chartered Accountants LLP**  
ICAI Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of  
**HDFC Securities IFSC Limited**  
CIN Number: U64990GJ2024PLC155489

**Sameer Bora**  
Partner  
Membership No: 131945

**Yogesh Darji**  
Managing Director  
DIN:10795752

**Rajiv Narayanan**  
Chief Financial Officer

**Place: Mumbai**  
Date: July 15, 2025

**Pranab Uniyal**  
Director

**Jyoti Singh**  
Company Secretary



The Company operates as a stockbroker in accordance with International Financial Services and Authority (IFSCA) and regulations prescribed thereunder. Nothing contained herein should be interpreted as assurance of regulatory outcomes or approvals.

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