

Price Waterhouse Chartered Accountants LLP

To the Board of Directors of
HSBC InvestDirect Financial Services (India) Limited,
Building No. 3, Western Express Highway,
Goregaon (East),
Mumbai – 400 063

Limited Review Report

1. We have reviewed the accompanying unaudited financial results of HSBC InvestDirect Financial Services (India) Limited (the “NBFC”) for the quarter ended June 30, 2022, which are included in the accompanying Statement of Profit and Loss (the “Statement”) being submitted by the NBFC pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”). We have digitally initialled the Statement for identification purposes only.
2. The Statement is the responsibility of the NBFC’s Management and has been approved by the NBFC’s Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the applicable accounting standards and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the Listing Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India (RBI) in respect of Income recognition, asset classification, provisioning and other related matters, to the extent those are not inconsistent with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

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

Russell I Parera
Partner
Membership Number: 042190
UDIN: 22042190ANTGAD6960
Place: Mumbai
Date: July 28, 2022

Price Waterhouse Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park, Nesco Complex Gate No. 3 Western Express Highway, Goregaon East, Mumbai - 400 063
T: +91(22) 61198000. F: +91 (22) 61198799

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002
Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LUPIN AAC-5001) with effect from July 25, 2014. Post its Conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

HSBC InvestDirect Financial Services (India) Limited
Statement of Unaudited Financial Results for the quarter ended June 30, 2022

Statement of Profit and Loss for the quarter ended June 30, 2022

(All amounts in INR thousands, unless otherwise stated)

Particulars	Quarter ended		For the year ended
	30-06-2022 (Unaudited)	31-03-2022*	31-03-2022 (Audited)
Revenue from operations			
Interest income	171,808	119,477	416,123
Net gain on fair value changes	2,367	2,769	17,304
Total revenue from operations	174,175	122,246	433,427
Other income	3	16,261	16,286
Total income	174,178	138,507	449,713
Expenses			
Finance costs	73,079	39,847	121,878
Impairment on financial instruments	64	277	261
Employee benefits expenses	13,427	13,320	44,112
Depreciation and amortisation	734	707	1,996
Others expenses	10,764	11,668	52,262
Total expenses	98,068	65,819	220,509
Profit before tax	76,110	72,688	229,204
Income tax expense:			
- Current tax	19,700	14,078	55,000
- Deferred tax	(391)	464	594
- (Excess)/ Short provision for tax of earlier years	-	(18,724)	(18,724)
Total tax expense	19,309	(4,182)	36,870
Profit for the period	56,801	76,870	192,334
Other comprehensive income			
i) Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	(74)	(606)	(295)
- Changes in the fair value of equity investments at FVOCI	-	17,057	17,057
ii) Income tax relating to items that will not be reclassified to profit or loss	19	152	74
Other comprehensive profit/(loss) for the period	(55)	16,603	16,836
Total comprehensive income for the period	56,746	93,473	209,170
Earnings per equity share (Nominal value of Rs. 10 per share)			
- Basic and Diluted (Rs.)	0.39	0.53	1.31

*Refer Note 4

HSBC InvestDirect Financial Services (India) Limited
Statement of Unaudited Financial Results for the quarter ended June 30, 2022

Notes:

- 1 The above results have been prepared pursuant to the requirement of paragraph 1.2 of Annexure II of circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019 (as amended by circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/167 dated December 24, 2019) and circular no. SEBI/HO/DDHS/CIR/2021/0000000637 dated October 05, 2021 issued by the Securities and Exchange Board of India ("SEBI"). The financial results have been prepared in accordance with recognition and measurement principles laid down in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the other accounting principles generally accepted in India. Any application guidance / clarification / directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued or applicable.
- 2 The above results have been reviewed and recommended for Board approval by the Audit Committee and approved and taken on record by the Board of Directors at the meeting held on July 28, 2022.
- 3 The spread of COVID-19 has severely impacted businesses around the globe. The Company is in the business of providing loans against securities and raising monies through borrowings. The Company has made an assessment of its liquidity position applying stress scenarios. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements.
- 4 The figures for the quarter ended March 31, 2022 are the balancing figures between audited figures for the year ended March 31, 2022 and the unaudited published figures for nine months ended December 31, 2021 which were subject to limited review by the Statutory Auditor.
- 5 The figures for the quarter ended June 2021 were not subject to limited review by the Statutory Auditor and thus it has been excluded in adherence to SEBI circular SEBI/HO/DDHS/CIR/2021/0000000637 dated October 05, 2021.
- 6 The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.
- 7 Figures for the previous period/year have been regrouped wherever necessary to confirm to current period/year presentation.

For and on behalf of the Board of Directors of
HSBC InvestDirect Financial Services (India) Limited

Shantanu Shankar
Managing Director
(DIN 08054929)

We, Price Waterhouse Chartered Accountants LLP, have signed this statement for identification purposes only and this Statement should be read in conjunction with our report dated July 28, 2022.

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

Russell I Parera
Partner
Membership No: 042190

Mumbai
July 28, 2022