

# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
HSBC InvestDirect Financial Services (India) Limited  
9-11 Floors, NESCO IT Park,  
Building No. 3, Western Express Highway,  
Goregaon (East),  
Mumbai – 400 063

## Limited Review Report

1. We have reviewed the unaudited financial results of HSBC InvestDirect Financial Services (India) Limited (the “Company”) for the quarter and half year ended September 30, 2021 which are included in the accompanying Statement of Profit and Loss, Balance Sheet as on that date and the statement of cash flows for the half-year ended on that date (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations, 2015”), which has been signed by us for identification purposes. This Statement is the responsibility of the Company’s management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. 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. We have not performed an audit and, 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 Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Russell I Parera  
Partner  
Membership Number: 042190  
UDIN: 21042190AAAAFC1585  
Mumbai  
October 12, 2021

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 as at and for the half year ended September 30, 2021

Statement of Profit and Loss for the quarter and half year ended September 30, 2021

(All amounts in INR thousands, unless otherwise stated)

Particulars	Quarter ended	For the half year ended		For the year ended
	30-09-2021 (Unaudited)	30-09-2021 (Unaudited)	30-09-2020 (Unaudited)	31-03-2021 (Audited)
<b>Revenue from operations</b>				
Interest income	90,001	197,215	234,925	460,329
Reversal of impairment on financial instruments	95	125	-	5
Net gain on fair value changes	7,659	9,219	21,975	30,187
<b>Total revenue from operations</b>	<b>97,755</b>	<b>206,559</b>	<b>256,900</b>	<b>490,521</b>
Other income	3	23	3	8
<b>Total income</b>	<b>97,758</b>	<b>206,582</b>	<b>256,903</b>	<b>490,529</b>
<b>Expenses</b>				
Finance costs	29,351	55,617	92,505	160,908
Employee benefits expenses	10,305	20,027	20,303	40,143
Impairment on financial instruments	-	-	26	-
Depreciation and amortisation	472	691	674	1,112
Others expenses	10,897	18,713	20,836	49,546
<b>Total expenses</b>	<b>51,025</b>	<b>95,048</b>	<b>134,344</b>	<b>251,709</b>
<b>Profit before tax</b>	<b>46,733</b>	<b>111,534</b>	<b>122,559</b>	<b>238,820</b>
<b>Income tax expense:</b>				
- Current tax	10,448	27,448	33,398	60,396
- Deferred tax	650	1,470	(100)	350
<b>Total tax expense</b>	<b>11,098</b>	<b>28,918</b>	<b>33,298</b>	<b>60,746</b>
<b>Profit for the period</b>	<b>35,635</b>	<b>82,616</b>	<b>89,261</b>	<b>178,074</b>
<b>Other comprehensive income</b>				
i) Items that will not be reclassified to profit or loss				
- Remeasurements of post-employment benefit obligations	103	206	(391)	414
ii) Income tax relating to items that will not be reclassified to profit or loss	(26)	(52)	98	(104)
<b>Other comprehensive profit/(loss) for the period</b>	<b>77</b>	<b>154</b>	<b>(293)</b>	<b>310</b>
<b>Total comprehensive income for the period</b>	<b>35,712</b>	<b>82,770</b>	<b>88,968</b>	<b>178,384</b>
<b>Earnings per equity share (Nominal value of Rs. 10 per share)</b>				
- Basic and Diluted (Rs.)	0.24	0.56	0.61	1.22

See accompanying notes to the financial results

HSBC InvestDirect Financial Services (India) Limited  
Statement of Unaudited Financial Results as at and for the half year ended September 30, 2021

Balance sheet as at September 30, 2021

(All amounts in INR thousands, unless otherwise stated)

Particulars	As at 30-09-2021 (Unaudited)	As at 30-09-2020 (Unaudited)	As at 31-03-2021 (Audited)
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	9,041	27,284	1,476
Bank balance other than cash and cash equivalents	403,570	325,517	405,313
Loans	4,712,653	6,283,143	5,967,056
Investments	1,259,299	430,023	110,080
Other financial assets	4,729	4,729	14,713
<b>Non-financial assets</b>			
Current tax assets (Net)	156,424	144,875	152,426
Deferred tax assets (Net)	1,160	3,080	2,630
Property, plant and equipment	3,162	1,215	3,564
Intangible assets	4,282	-	-
Intangible assets under development	-	3,400	3,400
Other non-financial assets	4,174	3,704	3,452
<b>Total assets</b>	<b>6,558,494</b>	<b>7,226,970</b>	<b>6,664,110</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10,500	13,518	11,463
Debt securities	98,975	935,135	247,439
Borrowings (other than debt securities)	1,620,000	1,620,000	1,650,847
Other financial liabilities	3,045	2,026	9,638
<b>Non-financial Liabilities</b>			
Current tax liabilities (Net)	15,311	15,905	15,311
Provisions	17,195	19,593	17,038
Other non-financial liabilities	931	440	2,607
<b>EQUITY</b>			
Equity share capital	1,462,847	1,462,847	1,462,847
Other equity	3,329,690	3,157,506	3,246,920
<b>Total equity</b>	<b>4,792,537</b>	<b>4,620,353</b>	<b>4,709,767</b>
<b>Total liabilities and equity</b>	<b>6,558,494</b>	<b>7,226,970</b>	<b>6,664,110</b>

See accompanying notes to the financial results

**HSBC InvestDirect Financial Services (India) Limited**
**Statement of Unaudited Financial Results as at and for the half year ended September 30, 2021**
**Statement of cash flows for the half year ended September 30, 2021**

(All amounts in INR thousands, unless otherwise stated)

Particulars	April 1, 2021 to September 30, 2021 (Unaudited)	April 1, 2020 to March 31, 2021 (Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Profit before tax:</b>	111,534	238,820
Adjustments :		
Depreciation and amortisation	691	1,112
Impairment on financial instruments	(125)	(5)
Interest accrued on debt securities		183
Interest income on bank deposits	(9,674)	(21,683)
Unrealised gain on mutual fund	(5,507)	(42)
Realised gain on mutual fund	(3,712)	(30,145)
<b>Operating profit before working capital changes</b>	<b>93,207</b>	<b>188,240</b>
<b>Adjustments for working capital changes:</b>		
Loans	1,254,529	52,643
Bank balance other than cash and cash equivalent	143	(555)
Other financial assets	9,984	140,016
Property, plant and equipment	-	(2,787)
Other non financial assets	(722)	377
<b>Adjustments for increase/ (decrease) in operating liabilities</b>		
Trade payables	(963)	2,096
Other financial liabilities	(6,593)	8,844
Provisions	363	(1,185)
Other non financial liabilities	(1,676)	(20)
Cash generated from operations	1,255,065	199,429
Less : Income taxes paid (net of refunds)	(31,499)	(63,875)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>1,316,773</b>	<b>323,795</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Placement of fixed deposit with bank	(138,400)	(231,600)
Proceeds from fixed deposit with bank	140,000	90,000
Interest income on bank deposits	9,674	21,683
Purchase of fixed assets	(1,171)	(2,787)
Investment in mutual fund	(2,975,000)	(3,339,500)
Redemption in mutual fund	1,835,000	4,738,085
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(1,129,897)</b>	<b>1,275,881</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of debt securities	98,975	1,182,025
Repayment of debt securities	(247,439)	(3,155,091)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(148,464)</b>	<b>(1,973,066)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>38,412</b>	<b>(373,390)</b>
Add : Cash and cash equivalents at beginning of the period	(29,371)	344,019
<b>Cash and cash equivalents at end of the period</b>	<b>9,041</b>	<b>(29,371)</b>

**Reconciliation of cash and cash equivalents as per statement of cash flows**

Cash and cash equivalents as per above comprise of the following

Particulars	As at 30-09-2021 (Unaudited)	As at 31-03-2021 (Audited)
Cash and cash equivalents	9,041	1,476
Bank overdrafts	-	(30,847)
<b>Balances as per statement of cash flows</b>	<b>9,041</b>	<b>(29,371)</b>

See accompanying notes to the financial results

**HSBC InvestDirect Financial Services (India) Limited**  
**Statement of Unaudited Financial Results as at and for the half year ended September 30, 2021**

**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 October 12, 2021.
- 3 The spread of COVID-19 has severely impacted businesses around the globe. The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the current situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

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 above results. The Company has further assessed the recoverability and carrying value of its assets comprising Loans and advances, Investments, fixed assets, other receivables as at balance sheet date, and has concluded that there are no material adjustments required in the above results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

- 4 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 October 12, 2021.

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

**Russell I Parera**  
Partner  
Membership No: 042190

Mumbai  
October 12, 2021