

Limited Review Report on unaudited standalone financial results of HSBC InvestDirect Financial Services (India) Limited for the quarter ended 30th June, 2023 under Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of

HSBC InvestDirect Financial Services (India) Limited

- 1 We have reviewed the accompanying Statement of unaudited standalone financial results of HSBC InvestDirect Financial Services (India) Limited ('the NBFC'), for the quarter ended 30th June, 2023 ('the Statement') attached herewith, being submitted by the NBFC pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations').
- 2 This Statement, which is the responsibility of the NBFC's management and approved by the Board of Directors of the NBFC, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time, applicable to the NBFC ('the RBI guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in 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, prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act, as amended read with relevant rules issued thereunder, the RBI guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 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 RBI in respect of income recognition, asset classification, provisioning, to the extent applicable to the NBFC, and other related matters.

Other Matters

- 5 As described in Note 5, the figures for the quarter ended 30th June, 2022 reported in this Statement were reviewed by predecessor auditor who had expressed an unmodified conclusion on the financial results vide their review report dated 28th July, 2022. Figures for the year ended 31st March 2023 as reported in this Statement were audited by predecessor auditor who had expressed an unmodified opinion on those annual financial results vide their audit report dated 25th May, 2023.

The Statement includes the financial results for the quarter ended 31st March, 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the financial year, which were subject to limited review by predecessor auditor.

Our conclusion is not modified in respect of these other matters.

For **M M Nissim & Co LLP**
Chartered Accountants
Firm Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577
UDIN: 23044577BGUVNV1790
Mumbai
7th August, 2023

HSBC InvestDirect Financial Services (India) Limited
Statement of Unaudited Financial Results for the quarter ended June 30, 2023

(All amounts in INR thousands, unless otherwise stated)

Particulars	Quarter ended			Year ended
	Jun 30, 2023 (Unaudited)	Mar 31, 2023 (Unaudited)	Jun 30, 2022 (Unaudited)	March 31, 2023 (Audited)
Revenue from operations				
Interest income	257,966	238,379	171,808	804,265
Net gain on fair value changes	3,153	1,317	2,367	13,444
Total revenue from operations	261,119	239,696	174,175	817,709
Other income	5	364	3	1,901
Total income	261,124	240,060	174,178	819,610
Expenses				
Finance costs	142,663	127,100	73,079	388,454
Impairment on financial instruments	217	45	64	289
Employee benefits expenses	18,960	14,962	13,427	55,401
Depreciation and amortisation	693	678	734	2,831
Others expenses	12,703	10,552	10,764	51,706
Total expenses	175,236	153,337	98,068	498,681
Profit before tax	85,888	86,723	76,110	320,929
Income tax expense:				
- Current tax	23,000	21,500	19,700	82,970
- Deferred tax	(880)	1,103	(391)	259
- Excess provision for tax of earlier years	-	(196)	-	(145)
Total tax expense	22,120	22,407	19,309	83,084
Profit for the period	63,768	64,316	56,801	237,845
Other comprehensive income				
i) Items that will not be reclassified to profit or loss				
- Remeasurements of post-employment benefit obligations	-	(1,084)	(74)	(1,305)
ii) Income tax relating to items that will not be reclassified to profit or loss	-	273	19	329
Other comprehensive loss for the period	-	(811)	(55)	(976)
Total comprehensive income for the period	63,768	63,505	56,746	236,869
Earnings per equity share (Nominal value of Rs. 10 per share)				
- Basic and Diluted (Rs.)	0.44	0.44	0.39	1.63

HSBC InvestDirect Financial Services (India) Limited
Statement of Unaudited Financial Results for the quarter ended June 30, 2023

Notes:

- 1 These financial results (the 'Statement' or 'Results') together with the results for the comparative reporting periods of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2 The Company has applied its significant accounting policies in the preparation of this Statement consistent with those followed in the annual financial statements for the year ended March 31, 2023. 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.
- 3 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 August 07, 2023.
- 4 Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker as defined in Ind AS 108 – Operating Segments. The Board of Directors have been identified as the chief operating decision maker. The Company operates in a single business segment of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.
- 5 Figures for the previous periods/year were reviewed/audited, as the case may be, by the predecessor auditors of the Company.
- 6 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

Berlin Varghese
Managing Director
(DIN 10059070)

We, M M Nissim & Co LLP have signed this statement for identification purposes only and this Statement should be read in conjunction with our report dated August 07, 2023.

For M M Nissim & Co LLP
Firm Registration Number: 107122W / W100672

Sanjay Khemani
Partner
Membership No: 044577

Mumbai, August 07, 2023