

# Price Waterhouse Chartered Accountants LLP

## Review Report

To 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

1. We have reviewed the accompanying unaudited standalone financial results of HSBC InvestDirect Financial Services (India) Limited (the “NBFC”) for the quarter ended December 31, 2022 and the year to date results for the period April 1, 2022 to December 31, 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 signed 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 Parera  
Partner  
Membership Number: 042190  
UDIN: 23042190BGTAKV2209

Place: UAE  
Date: February 9, 2022

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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 December 31, 2022

(All amounts in INR thousands, unless otherwise stated)

Particulars	Quarter ended			Nine month ended		Year ended
	December 31, 2022 (Unaudited)	September 30, 2022 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2021 (Unaudited)	March 31, 2022 (Audited)
<b>Revenue from operations</b>						
Interest income	215,905	178,173	99,431	565,886	296,646	416,123
Reversal of impairment on financial instruments	-	-	-	-	16	-
Net gain on fair value changes	3,753	6,007	5,316	12,127	14,535	17,304
<b>Total revenue from operations</b>	<b>219,658</b>	<b>184,180</b>	<b>104,747</b>	<b>578,013</b>	<b>311,197</b>	<b>433,427</b>
Other income	8	1,526	2	1,537	25	16,286
<b>Total income</b>	<b>219,666</b>	<b>185,706</b>	<b>104,749</b>	<b>579,550</b>	<b>311,222</b>	<b>449,713</b>
<b>Expenses</b>						
Finance costs	110,234	78,041	26,414	261,354	82,031	121,878
Impairment on financial instruments	101	79	109	244	-	261
Employee benefits expenses	14,706	12,306	10,765	40,439	30,792	44,112
Depreciation and amortisation	699	720	598	2,153	1,289	1,996
Others expenses	18,037	12,353	21,881	41,154	40,594	52,262
<b>Total expenses</b>	<b>143,777</b>	<b>103,499</b>	<b>59,768</b>	<b>345,344</b>	<b>154,707</b>	<b>220,509</b>
<b>Profit before tax</b>	<b>75,889</b>	<b>82,207</b>	<b>44,982</b>	<b>234,206</b>	<b>156,516</b>	<b>229,204</b>
<b>Income tax expense:</b>						
- Current tax	21,000	20,770	13,474	61,470	40,922	55,000
- Deferred tax	(221)	(232)	(1,340)	(844)	130	594
- Excess / Short provision for tax of earlier years	-	51	-	51	-	(18,724)
<b>Total tax expense</b>	<b>20,779</b>	<b>20,589</b>	<b>12,134</b>	<b>60,677</b>	<b>41,052</b>	<b>36,870</b>
<b>Profit for the period</b>	<b>55,110</b>	<b>61,618</b>	<b>32,848</b>	<b>173,529</b>	<b>115,464</b>	<b>192,334</b>
<b>Other comprehensive income</b>						
i) Items that will not be reclassified to profit or loss						
- Remeasurements of post-employment benefit obligations	(74)	(73)	105	(221)	311	(295)
- Changes in the fair value of equity investments at FVOCI	-	-	-	-	-	17,057
ii) Income tax relating to items that will not be reclassified to profit or loss	19	18	(26)	56	(78)	74
<b>Other comprehensive profit/(loss) for the period</b>	<b>(55)</b>	<b>(55)</b>	<b>79</b>	<b>(165)</b>	<b>233</b>	<b>16,836</b>
<b>Total comprehensive income for the period</b>	<b>55,055</b>	<b>61,563</b>	<b>32,927</b>	<b>173,364</b>	<b>115,697</b>	<b>209,170</b>
<b>Earnings per equity share (Nominal value of Rs. 10 per share)</b>						
- Basic and Diluted (Rs.)	0.38	0.42	0.22	1.19	0.79	1.31

**HSBC InvestDirect Financial Services (India) Limited**  
**Statement of Unaudited Financial Results for the quarter ended December 31, 2022**

**Notes:**

- 1 These financial results 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. 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 February 09, 2023.
- 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 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 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 February 09, 2023.

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

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

UAE  
February 9, 2023