

# Price Waterhouse Chartered Accountants LLP

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

## 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 December 31, 2021 and the year to date results for the period April 1, 2021 to December 31, 2021, 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  
Firm Registration Number: 012754N/ N500016

Russell I Parera  
Partner  
Membership Number: 042190  
UDIN: 22042190AATZCJ4763  
Place: Mumbai  
Date: February 8, 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 as at and for the nine month ended December 31, 2021

Statement of Profit and Loss for the quarter and nine month ended December 31, 2021

(All amounts in INR thousands, unless otherwise stated)

Particulars	Quarter ended			For the nine months ended		For the year ended
	31-12-2021 (Unaudited)	30-09-2021 (Unaudited)	31-12-2020 (Unaudited)	31-12-2021 (Unaudited)	31-12-2020 (Unaudited)	31-03-2021 (Audited)
<b>Revenue from operations</b>						
Interest income	99,431	90,001	117,152	296,646	352,077	460,329
Reversal of impairment on financial instruments	-	95	17	16	43	5
Net gain on fair value changes	5,316	7,659	5,293	14,535	27,268	30,187
<b>Total revenue from operations</b>	<b>104,747</b>	<b>97,755</b>	<b>122,462</b>	<b>311,197</b>	<b>379,388</b>	<b>490,521</b>
Other income	2	3	3	25	6	8
<b>Total income</b>	<b>104,749</b>	<b>97,758</b>	<b>122,465</b>	<b>311,222</b>	<b>379,394</b>	<b>490,529</b>
<b>Expenses</b>						
Finance costs	26,414	29,351	34,718	82,031	127,223	160,908
Employee benefits expenses	10,765	10,305	10,309	30,792	30,612	40,143
Impairment on financial instruments	109	-	-	-	-	-
Depreciation and amortisation	598	472	219	1,289	893	1,112
Others expenses	21,881	10,897	10,287	40,594	31,123	49,546
<b>Total expenses</b>	<b>59,768</b>	<b>51,025</b>	<b>55,533</b>	<b>154,707</b>	<b>189,851</b>	<b>251,709</b>
<b>Profit before tax</b>	<b>44,982</b>	<b>46,733</b>	<b>66,932</b>	<b>156,516</b>	<b>189,543</b>	<b>238,820</b>
<b>Income tax expense:</b>						
- Current tax	13,474	10,448	16,000	40,922	49,398	60,396
- Deferred tax	(1,340)	650	(240)	130	(340)	350
<b>Total tax expense</b>	<b>12,134</b>	<b>11,098</b>	<b>15,760</b>	<b>41,052</b>	<b>49,058</b>	<b>60,746</b>
<b>Profit for the period</b>	<b>32,848</b>	<b>35,635</b>	<b>51,172</b>	<b>115,464</b>	<b>140,485</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	105	103	-	311	(391)	414
ii) Income tax relating to items that will not be reclassified to profit or loss	(26)	(26)	-	(78)	98	(104)
<b>Other comprehensive profit/(loss) for the period</b>	<b>79</b>	<b>77</b>	<b>-</b>	<b>233</b>	<b>(293)</b>	<b>310</b>
<b>Total comprehensive income for the period</b>	<b>32,927</b>	<b>35,712</b>	<b>51,172</b>	<b>115,697</b>	<b>140,192</b>	<b>178,384</b>
<b>Earnings per equity share (Nominal value of Rs. 10 per share)</b>						
- Basic and Diluted (Rs.)	0.22	0.24	0.35	0.79	0.96	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 nine month ended December 31, 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 February 8, 2022.
- 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 February 8, 2022.

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

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

Mumbai  
February 8, 2022