

Limited Review Report on unaudited financial results of HSBC InvestDirect Financial Services (India) Limited for the quarter and nine months ended 31st December, 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 financial results of HSBC InvestDirect Financial Services (India) Limited ('the NBFC'), for the quarter and nine months ended 31st December, 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 NBFCs ('the RBI guidelines') and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements 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 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.
- 5 As described in Note 5, the figures for the quarter and nine months ended 31st December, 2022 as reported in this Statement were reviewed by predecessor auditor who expressed an unmodified conclusion on the financial results dated 9th February, 2023. Figures for the year ended 31st March, 2023 as reported in this Statement were audited by predecessor auditor who expressed an unmodified opinion on those annual financial results dated 25th May, 2023.

Our conclusion is not modified in respect of this matter.

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

Gayatri Sonavane
Partner
Membership No. 114049
UDIN: 24114049BKFBKA6059

Mumbai
7th February, 2024



HSBC InvestDirect Financial Services (India) Limited

Statement of Unaudited Financial Results for the quarter and nine month ended December 31, 2023

(All amounts in INR thousands, unless otherwise stated)

Particulars	Quarter ended			Nine month ended		Year ended
	December 31, 2023 (Unaudited)	September 30, 2023 (Unaudited)	December 31, 2022 (Unaudited) Refer Note 5	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited) Refer Note 5	March 31, 2023 (Audited) Refer Note 5
Revenue from operations						
Interest income	402,834	336,198	215,905	996,998	565,886	804,265
Net gain on fair value changes	2,042	1,709	3,753	6,904	12,127	13,444
Total revenue from operations	404,876	337,907	219,658	1,003,902	578,013	817,709
Other income	4	48	8	57	1,537	1,901
Total income	404,880	337,955	219,666	1,003,959	579,550	819,610
Expenses						
Finance costs	252,382	197,745	110,234	592,790	261,354	388,454
Impairment on financial instruments	71	271	101	559	244	289
Employee benefits expenses	18,496	18,428	14,706	55,884	40,439	55,401
Depreciation and amortisation	807	726	699	2,226	2,153	2,831
Others expenses	19,716	18,112	18,037	50,531	41,154	51,706
Total expenses	291,472	235,282	143,777	701,990	345,344	498,681
Profit before tax	113,408	102,673	75,889	301,969	234,206	320,929
Income tax expense:						
- Current tax	29,669	25,923	21,000	78,592	61,470	82,970
- Deferred tax	(750)	40	(221)	(1,590)	(844)	259
- Excess provision for tax of earlier years	-	-	-	-	51	(145)
Total tax expense	28,919	25,963	20,779	77,002	60,677	83,084
Profit for the period	84,489	76,710	55,110	224,967	173,529	237,845
Other comprehensive income						
i) Items that will not be reclassified to profit or loss						
- Remeasurements of post-employment benefit obligations	-	-	(74)	-	(221)	(1,305)
ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	19	-	56	329
Other comprehensive loss for the period	-	-	(55)	-	(165)	(976)
Total comprehensive income for the period	84,489	76,710	55,055	224,967	173,364	236,869
Earnings per equity share (Nominal value of Rs. 10 per share)						
- Basic and Diluted (Rs.)	0.58	0.52	0.38	1.54	1.19	1.63

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 Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time 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 by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 07, 2024.
- 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 quarter and nine month ended December 31, 2022 and year ended March 31, 2023 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 conform 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)