

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of HSBC Asset Management (India) Private Limited

Report on the Audit of the Financial statements

Opinion

1. We have audited the accompanying financial statements of HSBC Asset Management (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC Asset Management (India) Private Limited
Report on Audit of the Financial Statements
Page 2 of 4

and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC Asset Management (India) Private Limited
Report on Audit of the Financial Statements
Page 3 of 4

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the period April 1, 2023 to March 27, 2024 and the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements
 - ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2024.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC Asset Management (India) Private Limited
Report on Audit of the Financial Statements
Page 4 of 4

or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used three accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software except that the audit trail has not been enabled at the database level to log any direct data changes in respect of two software. With respect to the third software which is hosted by third party service providers, in the absence of the service organisation auditor's controls report, we are unable to comment whether, at the database level, the audit trail feature was enabled. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of the audit trail feature being tampered with. (Refer Note 41 to the financial statements).

12. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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

Sd/-
Ketan Asher
Partner
Membership Number: 113522

UDIN: 24113522BKFFMI2430
Place: Mumbai
Date: July 26, 2024

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2024
Page 1 of 2

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of HSBC Asset Management (India) Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2024
Page 2 of 2

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Sd/-

Ketan Asher
Partner
Membership Number: 113522

UDIN: 24113522BKFFMI2430
Place: Mumbai
Date: July 26, 2024

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2024

Page 1 of 5

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) During the year, the Company has made investments in 5 Mutual Fund Schemes and 1 Alternative Investment Fund. During the year, the Company has not granted secured/ unsecured loans/advances in nature of loans, to companies / firms / Limited Liability Partnerships/ other parties, or stood guarantee, or provided security to companies / firms / Limited Liability Partnerships/ other parties. Therefore, the reporting under clause 3 (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- (b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.
- iv. In our opinion, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2024

Page 2 of 5

and accordingly, the provisions of clause 3(iv) of the Order, to this extent, are not applicable to the Company.

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.) (In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	152	April 01, 2009 to March 31, 2010	Commissioner of Income tax (Appeals)
The Income Tax Act, 1961	Income Tax	7	April 01, 2013 to March 31, 2014	Assistant Commissioner of Income tax
The Income Tax Act, 1961	Income Tax	11	April 01, 2019 to March 31, 2020	Commissioner of Income tax
The Income Tax Act, 1961	Income Tax	3	April 01, 2017 to March 31, 2018	Commissioner of Income tax
Service Tax Law	Service Tax	217	October, 2010 to October, 2012	The Commissioner of Central Excise (Appeals)
Service Tax Law	Service Tax	193	April 2014 to June 2017	Customs, Excise and Service Tax Appellate Tribunal
Service Tax Law	Service Tax	406	October 2009 to November 2012	Customs, Excise and Service Tax Appellate Tribunal

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

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Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2024

Page 3 of 5

- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company did not have any joint ventures or associates during the year. Accordingly, reporting under clause 3(ix)(e) of the Order, to this extent, is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company did not have any joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order, to this extent, is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were two complaints in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2024

Page 4 of 5

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the HSBC Group ("Group") (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. The Financial Ratios Prescribed under Division III of Schedule III of the Act are not applicable to the Company. On the basis of ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

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Annexure B to Independent Auditors' Report

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Page 5 of 5

- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N / N500016

Sd/-

Ketan Asher

Partner

Membership Number: 113522

UDIN: 24113522BKFFMI2430

Place: Mumbai

Date: July 26, 2024

HSBC Asset Management (India) Private Limited
Balance Sheet as at March 31, 2024

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Financial Assets			
Cash and cash equivalents	3	621	186
Trade receivables	4	8,627	5,960
Investments	5	39,334	28,103
Other financial assets	6	253	158
Subtotal		48,835	34,407
Non-Financial Assets			
Current tax assets (Net)	7	2,093	1,510
Property, plant and equipment	8	2,028	1,848
Right-of-use assets	9	2,099	300
Goodwill	10	108,074	108,074
Other intangible assets	11	308,309	308,346
Other non-financial assets	12	4,558	4,481
Subtotal		427,161	424,559
Total Assets		475,996	458,966
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13	167	137
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	4,483	2,678
Lease liabilities	9	2,152	315
Other financial liabilities	14	755	9,150
Subtotal		7,557	12,280
Non-Financial Liabilities			
Current tax liabilities (Net)	15	1,701	515
Deferred tax liabilities (Net)	16	77,674	77,835
Provisions	17	1,490	1,434
Other non-financial liabilities	18	2,976	1,639
Subtotal		83,841	81,423
EQUITY			
Equity share capital	19	34,441	34,441
Other equity	20	350,157	330,822
Subtotal		384,598	365,263
Total Liabilities and Equity		475,996	458,966
Material Accounting Policies	1 & 2		

The above Balance sheet should be read in conjunction with the accompanying notes.
This is the Balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Sd/-
Ketan Asher
Partner
Membership No: 113522

Place: Mumbai
Date: July 26, 2024

For and on behalf of the Board of Directors of
HSBC Asset Management (India) Private Limited

Sd/-
Dr. Indu Shahani
Director
DIN No: 00112289

Sd/-
Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sd/-
Sneha Shetty
Company Secretary
ACS 32038

Place: Mumbai
Date: July 08, 2024

HSBC Asset Management (India) Private Limited
Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations			
Fees and commission Income	21	45,949	21,066
Net gain on fair value changes	22	4,664	672
Revenue from operations		50,613	21,738
Other income	23	519	317
Total Income		51,132	22,055
Expenses			
Finance cost	24	80	15
Employee benefits expense	25	13,073	8,590
Depreciation and amortization expense	26	967	269
Others expenses	27	13,274	9,333
Total expenses		27,394	18,207
Profit before tax		23,738	3,848
Tax expense:			
(a) Current tax	28.1	4,829	1,451
(b) Adjustment for current tax of prior periods	28.1	(240)	-
(c) Deferred tax	28.2	(161)	1,015
Profit for the year		19,310	1,382
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined employee benefit plans	17	34	(18)
Income tax relating to items that will not be reclassified to profit or loss		(9)	5
Other comprehensive income		25	(13)
Total comprehensive income for the year		19,335	1,369
Earnings per equity share (Nominal value of Rs.10/- per share)			
Basic & Diluted (in INR)		5.61	0.86

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Sd/-
Ketan Asher
Partner
Membership No: 113522

Place: Mumbai
Date: July 26, 2024

For and on behalf of the Board of Directors of
HSBC Asset Management (India) Private Limited

Sd/-
Dr. Indu Shahani
Director
DIN No: 00112289

Sd/-
Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sd/-
Sneha Shetty
Company Secretary
CS No: A32038

Place: Mumbai
Date: July 08, 2024

HSBC Asset Management (India) Private Limited
Statement of Cash Flows for the year ended March 31, 2024

(All amounts in lakhs of Indian Rupees unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
A	Cash flow from operating activities			
	Profit before income tax		23,738	3,848
	Adjustments for:			
	- (Profit) / Loss on disposal of property plant and equipment (Net)	23	(1)	(2)
	- Unrealised (gain) / loss on forex fluctuation on trade receivables / payables		(15)	(23)
	- Finance cost	24	80	15
	- Depreciation and amortisation	26	967	269
	- Remeasurment of defined benefit plans	17	34	(18)
	- Loss on amalgamation	27	88	-
	- Interest on Income tax refund	23	(486)	-
	- (Profit) / Loss on sale of investments (net)	22	(404)	(901)
	- Net (Gain) / Loss on fair value changes on FVTPL assets	22	(4,260)	229
	Operating profit before working capital changes		19,741	3,417
	<u>Adjustments for changes in working capital</u>			
	(Increase) / decrease in other financial assets	6	(95)	(82)
	(Increase) / decrease in other non financial assets	12	(69)	(4,031)
	(Increase) / decrease in trade receivables	4	(2,652)	(3,597)
	Increase / (decrease) in trade payables	13	1,829	60
	Increase / (decrease) in other financial liabilities	14	155	95
	Increase / (decrease) in other non financial liabilities	18	1,337	815
	Increase / (decrease) in provisions	17	56	910
			561	(5,830)
	Cash generated from operations		20,302	(2,413)
	Refunds Received/(Payment of taxes) (net)		(2,538)	(1,856)
	Net cash (used in) / generated from operating activities (A)		17,764	(4,269)
B	Cash flow from investing activities			
	- Purchase of investments		(40,443)	(31,367)
	- Proceeds from sale of investments		23,490	40,996
	- Purchase of property, plant & equipment	8	(748)	(1,921)
	- Sale of property, plant & equipment	8 & 23	1	-
	- Purchase of other intangible assets	11	(25)	(152)
	- On account of business combinations	39(b)	-	(346,726)
	- Cash balance of subsidiary on account of amalgamation		763	-
	Net cash (used in) / generated from investing activities (B)		(16,962)	(339,170)
C	Cash flow from financing activities			
	- Proceeds from issue of shares (Including securities premium)	19 & 20	-	343,631
	- Share issue costs	20	-	(36)
	- Finance cost	24	(80)	(15)
	- Principal portion of lease liabilities		(287)	(16)
	Net cash (used in) / generated from Financing activities (C)		(367)	343,564
	Net change in cash and cash equivalents (A+B+C)		435	125
	Cash and cash equivalents at the beginning of the year		186	61
	Cash and cash equivalents at the end of the year		621	186
	Non-cash investing activities			
	- Acquisition of Right-of-use assets	9	2,302	352
	Components of cash and cash equivalents			
	In Current account with banks			
	- Balances with banks in current accounts	3	621	186
	Total cash and cash equivalents		621	186

Note : The above Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows as prescribed under section 133 of the act.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Sd/-
Ketan Asher
Partner
Membership No: 113522

Place: Mumbai
Date: July 26, 2024

For and on behalf of the Board of Directors of
HSBC Asset Management (India) Private Limited

Sd/-
Dr. Indu Shahani
Director
DIN No: 00112289

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Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sd/-
Sneha Shetty
Company Secretary
CS No: A32038

Place: Mumbai
Date: July 08, 2024

HSBC Asset Management (India) Private Limited
Statement of Changes In Equity for the year ended March 31, 2024

(All amounts in lakhs of Indian Rupees unless otherwise stated)

a) Equity Share Capital

Particulars	Number of Shares	Amount
As at March 31, 2022	61,590,908	6,159
Changes in equity share capital	282,824,092	28,282
As at March 31, 2023	344,415,000	34,441
Changes in equity share capital	-	-
As at March 31, 2024	344,415,000	34,441

b) Other Equity

Particulars	Reserves and Surplus			Total
	Capital Redemption Reserve	Securities Premium	Retained Earnings	
Balance as at March 31, 2022	900	157	13,083	14,140
Profit for the year	-	-	1,382	1,382
Other comprehensive income	-	-	(13)	(13)
Total Comprehensive Income for the year	-	-	1,369	1,369
Issue of equity shares, net of transaction costs	-	315,313	-	315,313
Balance as at March 31, 2023	900	315,470	14,452	330,822
Profit for the year	-	-	19,310	19,310
Other Comprehensive Income	-	-	25	25
Total comprehensive income for the year	-	-	19,335	19,335
Issue of equity shares, net of transaction costs	-	-	-	-
Balance as at March 31, 2024	900	315,470	33,787	350,157

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Sd/-
Ketan Asher
Partner
Membership No: 113522

For and on behalf of the Board of Directors of
HSBC Asset Management (India) Private Limited

Sd/-
Dr. Indu Shahani
Director
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DIN No: 07242982

Sd/-
Sneha Shetty
Company Secretary
CS No: A32038

Place: Mumbai
Date: July 26, 2024

Place: Mumbai
Date: July 08, 2024

(All amounts in lakhs of Indian Rupees unless otherwise stated)

3 Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in current accounts*	621	186
Total	621	186

There are no repatriation restrictions with regard to cash and cash equivalent as at the end of the reporting period and prior period.

*Balances with banks in current accounts amounting to Rs 28 lakhs acquired through amalgamation of subsidiary company is in the process of transfer in the name of the company.

4 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables from contract with customers - billed	4,689	3,837
Trade receivables from contract with customers - unbilled ^	1,070	469
Trade receivables from contract with customers - billed - related parties	1,722	1,093
Trade receivables from contract with customers - unbilled - related parties	1,244	659
Less: Impairment loss allowance (Refer note 30 b)	(98)	(98)
	8,627	5,960
Break up of security details		
Receivable considered good - unsecured	5,661	4,208
Less: Impairment loss allowance	-	-
	5,661	4,208
Receivable - Credit Impaired	98	98
Less: Impairment loss allowance (Refer note 30 b)	(98)	(98)
	-	-
Receivable considered good - unsecured - related parties	2,966	1,752
Less: Impairment loss allowance	-	-
	2,966	1,752
Gross	8,725	6,058
Less: Impairment loss allowance (Refer note 30 b)	(98)	(98)
Total	8,627	5,960

^ The receivable is 'unbilled' because the Company has not yet issued an invoice, the balance has been included under trade receivable (as opposed to contract assets) because it is an unconditional right to consideration.

Ageing of Trade receivables as on March 31, 2024

Description	Unbilled	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
considered good	2,314	6,313	-	-	-	-	8,627
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	98	98
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Gross	2,314	6,313	-	-	-	98	8,725
Less: Impairment loss allowance	-	-	-	-	-	(98)	(98)
Total	2,314	6,313	-	-	-	-	8,627

Ageing of Trade receivables as on March 31, 2023

Description	Unbilled	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
considered good	1,128	4,832	-	-	-	-	5,960
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	98	-	98
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Gross	1,128	4,832	-	-	98	-	6,058
Less: Impairment loss allowance	-	-	-	-	(98)	-	(98)
Total	1,128	4,832	-	-	-	-	5,960

(All amounts in lakhs of Indian Rupees unless otherwise stated)

5 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
At Fair Value through Profit or Loss		
Mutual funds units	38,248	17,269
Equity Instruments	451	450
Alternate Investment units	635	-
Total Gross	39,334	17,719
At Cost		
Investment in Subsidiary (refer note 39(a))	-	10,384
Total	-	10,384
(i) Investments outside India	-	-
(ii) Investments in India	39,334	28,103
Total	39,334	28,103
Less : Impairment loss allowance	-	-
Total Net	39,334	28,103

6 Other Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised Cost		
Security Deposit	253	157
Staff Loans	-	1
Total- Gross	253	158
Less: Impairment loss allowance	-	-
Total - Net	253	158
Secured by tangible assets	-	-
Secured by intangible assets	-	-
Covered by Bank/Government Guarantees	-	-
Unsecured	253	158
Total- Gross	253	158
Less: Impairment loss allowance	-	-
Total- Net	253	158
Loans in India		
Public Sector	-	-
Others	253	158
Total- Gross	253	158
Less: Impairment loss allowance	-	-
Total Net	253	158
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total- Net	-	-
Total	253	158

7 Current tax assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Tax, Tax deducted at source, [Net of provision for tax of Rs. 22,585 lakhs (March 31, 2023 Rs. 8,113 lakhs)]	2,093	1,510
Total	2,093	1,510

(All amounts in lakhs of Indian Rupees unless otherwise stated)

8 Property, Plant and Equipment

Particulars	Computers	Furniture and Fixtures	Office Equipment	Lease hold improvement	Total
Gross Block (At Cost)					
As at March 31, 2022	332	-	25	-	357
Additions	1,866	34	21	-	1,921
Disposals	(30)	-	(11)	-	(41)
As at March 31, 2023	2,168	34	35	-	2,237
Additions	90	15	-	643	748
Disposals	(131)	-	-	-	(131)
As at March 31, 2024	2,127	49	35	643	2,854
Depreciation					
As at March 31, 2022	193	-	20	-	213
Depreciation charge during the year	208	4	5	-	217
Disposals	(30)	-	(11)	-	(41)
As at March 31, 2023	371	4	14	-	389
Depreciation charge during the year	475	8	6	79	568
Disposals	(131)	-	-	-	(131)
As at March 31, 2024	715	12	20	79	826
Net Block					
As at March 31, 2023	1,797	30	21	-	1,848
As at March 31, 2024	1,412	37	15	564	2,028

9 Right-of-use assets

(i) Amount recognised in balance sheet

Particulars	As at March 31, 2024	As at March 31, 2023
A. Gross carrying amount		
Opening gross carrying amount	329	-
Add: Additions during the year	2,302	352
Less: Derecognised during the year	(181)	(23)
Closing gross carrying amount (A)	2,450	329
B. Accumulated depreciation		
Opening accumulated depreciation	29	-
Add: Depreciation during the year	337	32
Less: Derecognised during the year	(15)	(3)
Closing accumulated depreciation (B)	351	29
Net carrying amount (A) - (B)	2,099	300

Lease Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	2,152	315
Total	2,152	315

Additions during the year is INR 2,302 lakhs (Previous year Rs. 352 lakhs)

Total outflow during the year is INR 367 lakhs (Previous year Rs. 31 lakhs)

(ii) Amount recognised in statement of profit and loss

Finance Cost

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses on lease liabilities	80	15
Total	80	15

Depreciation and amortization expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on Right-of-use assets	337	32
Total	337	32

(All amounts in lakhs of Indian Rupees unless otherwise stated)

(iii) Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	621	186
Liquid investment	23,920	6,955
Lease Liabilities	(2,152)	(315)
Total	22,389	6,826

Particulars	Cash and cash equivalents	Lease Liabilities	Liquid investment	Total
Net debt as at 1 April, 2022	61	-	16,489	16,550
New lease	-	(352)	-	(352)
Cash flow	125	31	(9,534)	(9,378)
Interest expenses on lease liabilities	-	(15)	-	(15)
De-recognition of lease	-	21	-	21
Net debt as at 31 March, 2023	186	(315)	6,955	6,826
New lease	-	(2,302)	-	(2,302)
Cash flow	435	367	16,965	17,767
Interest expenses on lease liabilities	-	(80)	-	(80)
De-recognition of lease	-	178	-	178
Net debt as at 31 March, 2024	621	(2,152)	23,920	22,389

(iv) Short term lease

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expense relating to short-term leases (included in other expenses)	920	646
Total	920	646

10 Goodwill

Particulars	Goodwill
Gross Block (At Cost)	
As at March 31, 2022	-
Additions on account of business combination (refer note 39(b))	108,074
Disposals	-
As at March 31, 2023	108,074
Additions	-
Disposals	-
As at March 31, 2024	108,074
Amortisation	
As at March 31, 2022	-
Amortisation during the year	-
Impairment loss	-
Disposals	-
As at March 31, 2023	-
Amortisation during the year	-
Impairment loss	-
Disposals	-
As at March 31, 2024	-
Net Block	
As at March 31, 2023	108,074
As at March 31, 2024	108,074

(All amounts in lakhs of Indian Rupees unless otherwise stated)

11 Other intangible Assets

Particulars	Computer Software	Asset Management Rights	Total
Gross Block (At Cost)			
As at March 31, 2022	121	-	121
Additions	152	-	152
Additions on account of business combination (refer note 39(b))	-	308,200	308,200
Disposals	-	-	-
As at March 31, 2023	273	308,200	308,473
Additions	25	-	25
Disposals	-	-	-
As at March 31, 2024	298	308,200	308,498
Amortisation			
As at March 31, 2022	107	-	107
Amortisation during the year	20	-	20
Disposals	-	-	-
As at March 31, 2023	127	-	127
Amortisation during the year	62	-	62
Disposals	-	-	-
As at March 31, 2024	189	-	189
Net Block			
As at March 31, 2023	146	308,200	308,346
As at March 31, 2024	109	308,200	308,309

Intangible Impairment assessment disclosures

Asset Management Rights(AMR) is expected to contribute positively to the entity's cash flow generation over the long term. In absence of a foreseeable period during which AMR is anticipated to generate net cash inflows for the company, AMR has been considered to have an indefinite life and is assessed for impairment on a yearly basis. Asset Management Rights acquired through business combinations has been allocated to single cash-generating unit (CGU) for impairment testing, as follows:

Significant Cash Generating Units (CGUs)

The entire company is considered as one CGU. The intangible assets - Asset Management Rights and Goodwill - both have been fully allocated to this CGU.

Impairment testing of CGU:

Particular	As at March 31, 2024	As at March 31, 2023
Carrying value of CGU	384,598	365,263
Recoverable amount of CGU #	532,030	419,866

Note

(i) Recoverable amount is based on fair value less costs of disposal

(ii) Valuation technique i.e. discounted cash flow projections has been used to measure fair value less costs of disposal.

Recoverable amount is determined using fair value less cost of disposal

Management has determined the recoverable amount of the CGU by assessing the fair value less cost of disposal (FVLCO) of the underlying assets. The valuation is considered to be Level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. No impairment was identified.

Management's approach and the key assumptions used to determine the CGU's FVLCO were as follows:

Unobservable inputs	Value assigned to key assumption		
	31-Mar-24	31-Mar-23	Approach to determining key assumption
Total expected revenue for 5 years (undiscounted)	375,543	253,817	Based on past performance, 5 years forecasts prepared by the management and management's expectations of market development.
Terminal Value at the end of 5th Year	791,223	634,137	Computed using Long-term growth rate on 5th year of expected cashflow.
Post-tax discount rate (%)	15.10%	14.62%	Reflects the market risk free rate and premium related to the specific risks.
Long-term growth rate (%)	8.00%	8.00%	Computed using weighted average growth rate which is used to extrapolate cash flows beyond the budget period. The rate is consistent with forecast included in industry report.

The calculation of fair value less cost of disposal is most sensitive to expected cash-flows, post-tax discount rate and long term growth rate

The recoverable amount of the CGU is estimated to exceed the carrying amount of the CGU at 31 March 2024 by Rs.147,432 lakhs (at 31 March 2023 by Rs. 54,603 lakhs).

The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

Key assumptions	31-Mar-24		31-Mar-23	
	From	To	From	To
Post-tax discount rate (%)	15.10%	24.00%	14.62%	15.55%
Long-term growth rate (%)	8.00%	5.00%	8.00%	7.00%
Total expected revenue for 5 years including perpetuity (Undiscounted)	375,543	274,147	253,817	220,821

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple. The growth rates used to estimate cash flows for the first five years are based on the Company's five-year strategic plan.

(All amounts in lakhs of Indian Rupees unless otherwise stated)

12 Other non-financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advance to suppliers	66	23
Goods and Service tax (GST) / Cenvat Credit	429	464
GST payment under Protest	2,500	2,500
Prepayments	598	515
Other Receivables	176	169
Plan Assets (refer note 17-b)*	789	810
Total	4,558	4,481

* The L&T Employee Gratuity Welfare Trust acquired as part of business combination is in the process of getting transferred in the name of the Company. Plan Assets as at 31 March, 2024 is net off Rs. 58 lakhs receivable from the Insurer.

13 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	167	137
Total outstanding dues of creditors other than micro enterprises and small enterprises - Related Parties (refer note 37)	1,428	553
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,055	2,125
Total	4,650	2,815

Ageing of Trade Payables as on March 31, 2024

Description	Unbilled	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	107	60	-	-	-	167
Others	3,399	1,078	6			4,483
Disputed trade payables						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	3,506	1,138	6	-	-	4,650

Ageing of Trade Payables as on March 31, 2023

Description	Unbilled	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	-	137	-	-	-	137
Others	114	2,562	2	-	-	2,678
Disputed trade payables						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	114	2,699	2	-	-	2,815

The below information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said Act as available with the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:	-	-
- Principal amount	60	137
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of the payment made to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

(All amounts in lakhs of Indian Rupees unless otherwise stated)

14 Other Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefits payable (including Restricted Share Plan)	637	492
Income Tax Refund Payable	96	96
Payable to Subsidiary (refer note 39(a))	-	8,562
Other Financial Liabilities	22	-
Total	755	9,150

15 Current tax liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Income Tax [Net of advance tax and Tax deducted at source Rs. 1,724 lakhs (March 31, 2023 Rs. 1,988 lakhs)] #	1,701	515
Total	1,701	515

16 Deferred tax liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities		
Depreciation/Amortisation	(559)	(7)
Provision for employee benefits	(177)	(165)
Bonus payable	(153)	(118)
Other	(5)	-
Lease liability	(13)	(4)
Business combination	77,568	77,568
Fair value of financial instruments	1,013	561
Total	77,674	77,835

Note: For movement in deferred tax, refer note 28.2

The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on approved business plans and budgets for the Company as per the relevant dates above. The Company is expected to generate taxable income in future years.

17 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for Compensated absences	183	163
Provision for Gratuity (refer note b) below)	1,307	1,271
Total	1,490	1,434

The entire amount of the provision of compensated absences Rs. 183 lakhs (March 31, 2023 - Rs. 163 lakhs) is due within 12 months, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

a) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 488 lakhs (March 31, 2023 - Rs.298 lakhs).

b) Defined benefit plans

Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment of Gratuity act, 1972. The same is payable at the time of seporation from the Company or retirement, whichever is earlier. The benefit vest after 4 years and 190 days of continuous service. The plan is partially funded.

(All amounts in lakhs of Indian Rupees unless otherwise stated)

- (i) The following tables summarise the components of net benefit expense recognised in the Statement of Profit or Loss and the unfunded status and amounts recognised in the Balance Sheet for the respective plans:

Particulars	As at March 31, 2024		
	Present value of obligation	Fair value of plan asset	Net amount
Opening Balance	1,271	810	461
Current service cost	159	-	159
Interest cost/ Interest income	84	55	29
Total amount recognised in Profit and Loss	243	55	188
Return on plan assets, excluding amounts included in interest expense/(income)	-	7	(7)
(Gain)/ Loss from change in demographic assumptions	(13)	-	(13)
(Gain)/ Loss from change in financial assumptions	5	-	5
(Gain)/ Loss on account of experience changes	(19)	-	(19)
Total amount recognised in Other Comprehensive Income	(27)	7	(34)
Employer Contributions	-	-	-
Benefit payments by company	(122)	-	(122)
Benefit paid from plan assets	(58)	(58)	-
Other	-	(25)	25
Closing Balance	1,307	789	518

Particulars	As at March 31, 2023		
	Present value of obligation	Fair value of plan asset	Net amount
Opening Balance	450	-	450
Current service cost	91	-	91
Interest cost	43	17	26
Total amount recognised in Profit and Loss	134	17	117
Return on plan assets, excluding amounts included in interest expense/(income)	-	31	(31)
(Gain)/ Loss from change in demographic assumptions	50	-	50
(Gain)/ Loss from change in financial assumptions	(103)	-	(103)
(Gain)/ Loss on account of experience changes	102	-	102
Total amount recognised in Other Comprehensive Income	49	31	18
Employer Contributions	-	-	-
Benefit Payments	(94)	-	(94)
Liabilities assumed/Asset acquired	732	762	(30)
Closing Balance	1,271	810	461

The net liability disclosed above relates to funded and unfunded plans as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded plan liabilities	861	781
Fair value of plan assets	(789)	(810)
Plan liability net of plan assets	72	(29)
Unfunded liabilities	447	490
Deficit before asset ceiling	519	461

- (ii) Statement of Profit and Loss & Other Comprehensive Income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Employee benefit expense:		
Current service cost	159	91
Total	159	91
Finance costs	29	26
Net impact on the profit before tax	188	117
Remeasurements of the net defined benefit liability:		
Actuarial gains/(losses) arising from Changes in financial assumption	5	(103)
Actuarial gains/(losses) arising from changes in demographic assumptions	(13)	50
Actuarial gains/(losses) arising from changes actual return on plan assets less interest on plan asset	(7)	(31)
Actuarial gains/(losses) arising from changes in experience	(19)	102
Net impact on the other comprehensive income before tax	(34)	18

- (iii) Defined benefit plan assets

Category of assets	As at March 31, 2024	As at March 31, 2023
- Insurer managed funds	789	810
Total	789	810

(All amounts in lakhs of Indian Rupees unless otherwise stated)

(iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.00%	7.10%
Salary escalation rate*	7.00%	7.00%

* takes into account the inflation, seniority, promotions and other relevant factors.

(v) Demographic assumptions

Retirement Age:

The employees of the Company are assumed to retire at the age of 60 years.

Particulars	As at March 31, 2024	As at March 31, 2023
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal rate	18%	11%

Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service.

(vi) Sensitivity

As at March 31, 2024	Change in assumption	Impact on defined benefit obligation	
		if rate Increase	if rate Decrease
Discount rate	50bps	(27)	28
Salary escalation rate	50bps	(27)	28

As at March 31, 2023	Change in assumption	Impact on defined benefit obligation	
		if rate Increase	if rate Decrease
Discount rate	50bps	(37)	39
Salary escalation rate	50bps	39	(37)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vii) Expected benefit payments for future years

The defined benefit obligations shall mature after year end as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
1st following year	246	155
2nd following year	238	158
3rd following year	240	167
4th following year	281	185
5th following year	259	302
Sum of year 6th to 10th year	996	1,132

The weighted average duration of the defined benefit obligation is 5 years (previous year - 7 years)

Expected employer contributions for the period ending March 31, 2025 is INR 245 lakhs

(viii) Risk Exposure

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

18 Other Non-Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	2,530	1,639
Other Non-Financial Liabilities	446	-
Total	2,976	1,639

(All amounts in lakhs of Indian Rupees unless otherwise stated)

19 Equity Share capital

Authorised Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2022	62,000,000	6,200
Increase during the year	4,438,000,000	443,800
As at 31 March 2023	4,500,000,000	450,000
# Increase during the year	551,257,920	55,126
As at 31 March 2024	5,051,257,920	505,126

Authorised Preference Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2022	8,000,000	800
Increase during the year	-	-
As at 31 March 2023	8,000,000	800
# Increase during the year \$	675,300,000	90,300
As at 31 March 2024	683,300,000	91,100

On account of approval of Scheme of Arrangement between HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited) and HSBC Asset Management (India) Private Limited and their respective shareholders by NCLT vide order dated 13 October, 2023.

\$ Includes 3,300,000 compulsory convertible preference shares of ₹ 100 each, 22,000,000 redeemable non-convertible preference shares of ₹ 100 each and 650,000,000 non-convertible preference shares of ₹ 10 each.

Issued Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2022	61,590,908	6,159
# Rights issue during the year	326,431,802	32,643
As at 31 March 2023	388,022,710	38,802
Changes during the year	(43,607,710)	(4,361)
As at 31 March 2024	344,415,000	34,441

Subscribed and paid-up Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2022	61,590,908	6,159
## Rights issue during the year	282,824,092	28,282
As at 31 March 2023	344,415,000	34,441
Changes during the year	-	-
As at 31 March 2024	344,415,000	34,441

Reconciliation of number of Equity Shares

Equity Shares:	As at 31 March 2024		As at 31 March 2023	
Particulars	Number of Equity Shares	Amount	Number of Equity Shares	Amount
Balance as at the beginning of the year	344,415,000	34,441	61,590,908	6,159
Add / less: Movement during the year	-	-	282,824,092	28,282
Balance as at the end of the year	344,415,000	34,441	344,415,000	34,441

Rights, preferences and restrictions attached to the Equity Shares

The Company has a single class of Equity Shares having a par value of Rs. 10 per share.

Equity Shares: The Company has one class of Equity Shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Rights issue:

On 17 November 2022, the Company sent the Letter of Offer inviting its existing shareholders to subscribe to further issue by way of right shares ('issue') for 32,64,31,802 equity shares at an issue price of INR 121.50 per share on the basis of 53 equity shares for every 10 fully paid equity shares held in the Company, with such shares issued shall rank pari-passu with the existing equity shares of the Company. The offer period for issue was opened on 22 November 2022 and 28,28,24,092 equity shares was subscribed by HSBC Securities and Capital Markets (India) Private Limited ('HSCI'). The offer period was closed and the allotment of 28,28,24,092 equity shares was done to HSCI on 23 November 2022. 4,36,07,710 equity shares were unsubscribed as at 31 March, 2023.

Unsubscribed shares during Rights issue got cancelled on 29 September, 2023.

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Shares held by Holding Company:

344,415,000 (previous year: 344,415,000) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company and its nominees.

Details of shareholders holding more than 5% of the aggregate shares in the Company:

344,415,000 (previous year: 344,415,000) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company and its nominees. Percentage of holding- March 31, 2024: 100% ; March 31, 2023: 100%. There has been no change in Promoter's shareholding.

Details of shareholding of promoters

344,415,000 (previous year: 344,415,000) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company and its nominees. Percentage of holding- March 31, 2024: 100% ; March 31, 2023: 100%. There has been no change in the promoter shareholding during the current year & previous year.

20 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium	315,470	315,470
Capital Redemption Reserve	900	900
Retained Earnings	33,787	14,452
Total	350,157	330,822

Securities Premium

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	315,470	157
Rights issue	-	315,349
Transaction costs arising on share issues	-	(36)
Closing balance	315,470	315,470

Capital Redemption Reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	900	900
Changes during the year	-	-
Closing balance	900	900

Retained Earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	14,452	13,083
Add: Profit for the year	19,310	1,382
Items of other comprehensive income recognised directly in Retained Earnings		
- Remeasurement of defined employee benefit plans, net of tax	25	(13)
Closing Balance	33,787	14,452

Nature and Purpose of Reserves

Securities Premium:

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve:

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of the free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve (CRR). CRR can be used only for the purpose of issuing bonus shares.

Retained earnings:

Retained earnings represents surplus/deficit of the Company and is available for distribution to the shareholders.

(All amounts in lakhs of Indian Rupees unless otherwise stated)

21 Fees and commission Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Management fees from		
i) Mutual fund operations (net of GST)	40,870	16,629
ii) Portfolio Management Service (net of GST)	610	424
iii) Advisory Services	4,469	4,013
Total	45,949	21,066

22 Net gain on fair value changes

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain/(loss) on financial instruments at FVTPL		
On Mutual fund	4,651	630
On Equity Instrument	1	42
On Alternate Investment units	12	-
Total	4,664	672
Fair value changes:		
Realised	404	901
Unrealised	4,260	(229)
Total	4,664	672
Total	4,664	672

23 Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on account of foreign exchange fluctuations (net)	26	176
Interest on income tax refund	486	-
Profit on disposal of property, plant and equipment (net)	1	2
Income from duty scrips	-	139
Miscellaneous income	6	-
Total	519	317

24 Finance Cost

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses on lease liabilities	80	15
Total	80	15

25 Employee Benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages & bonus	11,843	7,875
Contribution to provident and other funds (refer note 17 a)	488	298
Gratuity (refer note 17 b)	188	117
Compensated absences	60	108
Share based payments (refer note 34 b)	10	10
Staff welfare expense	484	182
Total	13,073	8,590

26 Depreciation and amortization expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	568	217
Amortisation on other intangible asset	62	20
Depreciation on right-of-use assets	337	32
Total	967	269

(All amounts in lakhs of Indian Rupees unless otherwise stated)

27 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent & utilities	1,349	660
Repairs and maintenance	2,083	1,482
Communication expenses	836	459
Director's fees, allowances and expenses	21	20
Auditor's fees (refer a) below)	48	53
Legal and professional charges	1,212	1,756
Insurance	402	219
Donation	10	-
Travelling and conveyance expenses	263	153
Brokerage and incentives	352	220
Compensation (refer b) below)	9	76
Scheme related expenses	3	1
Rates and taxes	688	311
Corporate social responsibility (CSR) expenses (refer c) below)	61	43
Support service charges	3,228	1,833
Business development charges	2,339	1,966
Recruitment cost	51	6
Membership and subscription	-	9
Office administration	231	66
Loss on amalgamation (refer note 39(a))	88	-
Total	13,274	9,333

a) Break up of Auditor's Remuneration

Payment to Auditor:	For the year ended March 31, 2024	For the year ended March 31, 2023
- Statutory audit	46	53
- Other services	2	-
- Reimbursement of expenses*	0	-
Total	48	53

* Below the rounding off norms adopted by the Company.

b) Compensation

The Company incurred Rs. 9 lakhs (March 31, 2023 Rs. 76 lakhs) towards compensation paid by the Company to investors / distributors on account of routine processing errors / delays.

HSBC Asset Management (India) Private Limited

Notes to the financial statements for the year ended March 31, 2024 (Continued)

(All amounts in lakhs of Indian Rupees unless otherwise stated)

c) Contribution for corporate social responsibility (CSR)

- i) Gross amount required to be spent by the Company during the year. Rs. 61 lakhs (Previous year Rs. 43 lakhs)
- ii) Amount approved by the Board to be spent during the year : Rs. 61 lakhs (Previous year Rs. 43 lakhs)
- iii) HSBC Asset Management India Private Limited has proposed to support United Way Mumbai and Cancer Patients Aid Association basis guidance from CSR team of HSBC, India.

Disclosures in relation to corporate social responsibility expenditure:

Details of CSR Expenditure	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent as per Section 135 of the Act	61	43
i) Amount of expenditure incurred		
Contribution to United Way of Mumbai	40	43
Contribution to Cancer Patient Aid Association	21	-
ii) Amount of cumulative shortfall at the end of the year		
iii) Accrual towards unspent obligations (Shortfall) in relation to:		
Ongoing project	-	-
Other than ongoing project	-	-
Total	61	43

Details of excess CSR expenditure under Section 135(5) of the Act:

Balance excess spent as at April 01, 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2024
-	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:

Balance unspent as at April 01, 2023	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2024
-	-	61	61	-

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Details of ongoing CSR projects under Section 135(6) of the Act:

Financial Year	Balance as at		Amount required to be spent during the year	Amount spent during the year		Balance as at	
	April 01, 2023					March 31, 2024	
	With the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
FY 23-24	-	-	-	-	-	-	-
FY 22-23	-	-	-	-	-	-	-

Details of excess CSR expenditure under Section 135(5) of the Act:

Balance excess spent as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2023
-	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:

Balance unspent as at April 01, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
-	-	43	43	-

(All amounts in lakhs of Indian Rupees unless otherwise stated)

28.1 Income tax expense

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
Income tax expense		
Current tax on profits for the year	4,838	1,446
Adjustment for current tax of prior periods	(240)	-
MAT Credit (Prior period)		
Total Current tax expense	4,598	1,446
Deferred tax relating to origination and reversal of temporary differences	(161)	1,015
Income tax expense	4,437	2,461
Other Comprehensive Income		
Income tax relating to items that will not be reclassified to profit or loss	9	(5)
Current Tax	4,589	1,451
Deferred Tax	(161)	1,015

Reconciliation of tax expense and the accounting profit multiplied by company's tax rate:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by company's tax rate for the years ended 31 March 2024 and 31 March 2023 is as follows:

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
Accounting profit before tax	23,738	3,848
At statutory income tax rate of 25.168%* (As at March 31, 2023 - 25.168%)	5,974	969
Tax effect of amounts which are no deductible (taxable) in calculating taxable income		
- Share based payments	3	3
- Corporate social responsibility (CSR) expenses	15	11
- Loss on amalgamation	22	-
- Donations	3	-
- Share acquisition related expenses	-	349
Adjustment for current tax of prior periods	(240)	-
MAT credit written off	-	825
Adjustment for deferred tax on account of amalgamation of subsidiary	(762)	-
Capital gain on sale of investment taxed at different rates	38	(43)
Deferred tax on account of different tax rates/change in tax rate	(620)	347
Other	4	-
Income tax expense reported in the Statement of Profit and Loss	4,437	2,461
Income tax relating to items that will not be reclassified to profit or loss	(9)	5
Tax expense as per Profit and Loss Statement	4,428	2,466

* During the year ended March 31, 2023, the Company has opted 22% income tax rate as per the provisions of Section 115BAA of the Income Tax Act, 1961. The MAT provisions (section 115JAA) do not apply when company opts for section 115BAA, therefore the brought forward MAT credit has been written off in the previous year.

28.2 Deferred tax

Particulars	As at March 31, 2022	Movement in Profit and Loss [Debit/ (Credit)]	On account of business combination	As at March 31, 2023	Movement in Profit and Loss [Debit/ (Credit)]	As at March 31, 2024
Deferred tax Assets						
MAT Credit	825	825	-	-	-	-
Provision for employee benefits	152	(13)	-	165	(12)	177
Bonus payable	64	(54)	-	118	(35)	153
Depreciation/Amortisation	8	1	-	7	(552)	559
Others	105	105	-	-	(5)	5
Lease Liability	-	(4)	-	4	(9)	13
Deferred tax Liabilities						
Fair value of financial instruments through P&L	(406)	155	-	(561)	452	(1,013)
Asset Management Rights	-	-	77,568	(77,568)	-	(77,568)
Net Deferred Tax	748	1,015	77,568	(77,835)	(161)	(77,674)

HSBC Asset Management (India) Private Limited

Notes to the financial statements for the year ended March 31, 2024 (Continued)

(All amounts in lakhs of Indian Rupees unless otherwise stated)

29 Fair value measurement

a) Financial Instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in sub-notes 8, 9, 10 & 12 of note 1 to the financial statements.

Particulars	As at March 31, 2024				As at March 31, 2023			
	Fair value through profit or loss	Fair value through OCI	Amortised cost	Cost	Fair value through profit or loss	Fair value through OCI	Amortised cost	Cost
Financial assets:								
Cash and cash equivalents	-	-	621	-	-	-	186	-
Trade receivables	-	-	8,627	-	-	-	5,960	-
Investments:								
- Mutual fund units	38,248	-	-	-	17,269	-	-	-
- Equity instruments	451	-	-	-	450	-	-	-
- Alternate Investment funds	635	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	10,384
Other financial assets:								
-Staff loans	-	-	-	-	-	-	1	-
-Security deposits	-	-	253	-	-	-	157	-
Total financial assets	39,334	-	9,501	-	17,719	-	6,304	10,384
Financial liabilities:								
Trade payables	-	-	4,650	-	-	-	2,815	-
Other financial liabilities	-	-	755	-	-	-	9,150	-
Lease liabilities	-	-	2,152	-	-	-	315	-
Total financial liabilities	-	-	7,557	-	-	-	12,280	-

(All amounts in lakhs of Indian Rupees unless otherwise stated)

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2024

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Mutual fund units	5	38,248	-	-	38,248
- Equity Instruments	5	-	-	451	451
- Alternate Investment funds	5	635	-	-	635
Total financial assets		38,883	-	451	39,334

As at March 31, 2023

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Mutual fund units	5	17,269	-	-	17,269
- Equity Instruments	5	-	-	450	450
Total financial assets		17,269	-	450	17,719

- i) There are no transfers between levels 1, 2 and 3 during the year.
- ii) The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes investment in mutual fund units. The investment in all the open ended mutual funds are valued at closing Net Asset Value (NAV)/ Market Price, which represents the repurchase price at which the issuer will redeem the units from investors. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The instruments are valued based on quoted prices for the similar instruments but for which significant observable adjustments are required to reflect the difference between the instruments. Unlisted equity shares are classified under this category.

Fair Value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2024 and 31 March 2023:

Particulars	Unlisted equity securities	Contingent consideration	Hedging derivatives	Indemnification asset	Total
As at 01 April, 2022	65	-	-	-	65
Acquisitions	343	-	-	-	343
Gain/(Losses) recognised in statement of Profit & Loss	42	-	-	-	42
As at 31 March, 2023	450	-	-	-	450
Acquisitions	-	-	-	-	-
Gain/(Losses) recognised in statement of Profit & Loss	1	-	-	-	1
As at 31 March, 2024	451	-	-	-	451

(All amounts in lakhs of Indian Rupees unless otherwise stated)

c) Valuation technique used to determine fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Specific valuation techniques used to value financial instruments include:

The fair value of the closed ended mutual fund units is determined using observable NAV at the reporting date as declared by the issuer.

Financial Instrument	Valuation Technique
Unquoted Equity Instruments	
AMC Repo Clearing Limited	Underlying Asset approach considered ultimate analysis to determined the fair value per equity share
MF Utilities Private Limited	Discounted cash flow based on present value of the expected future economic benefit and/or price of recent investment

The investment in AMC Repo Clearing Limited (ARCL) is valued at a Net Assets approach, The underlying asset approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to companies which are in the initial stages of starting operations. Also, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

The investment in Mutual Fund utility (MFU) participation shares (classified under FVTPL) entitles access to MFU a transaction aggregating portal that enables free access to investors for NAV and other scheme related content across mutual funds. The Association of Mutual Funds in India mandates this investment for all the asset management companies in proportion of their assets under management (AUM) to access MFU.

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies on a regular basis by tracking their latest available financial statements/ financial information, valuation report of independent valuers, etc. which are considered for the valuation process.

d) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value as at		Significant unobservable inputs	Impact on profit after tax and equity
	31-Mar-24	31-Mar-23		
Unquoted Equity Shares				
AMC Repo Clearing Limited	416	415	Net assets value	Increase in net asset value by 1% would increase the value by INR 4.16 lakhs and decrease in 1% would decrease the value by INR 4.16 lakhs.
MF Utilities Private Limited	35	35	Risk adjusted discount rate	Discount rate of 12.71% is used to derive at the valuation. If the discount rate increase by 1% would lead to decrease in the fair value by INR 1.25 lakhs and decrease in discount rate by 1% would increase in the fair value by INR 1.30 lakhs.

Valuation Process

The finance department of the Company includes the team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair value. The team reports directly to the Finance Head of the Company. Discussions of valuation processes and results are held between the valuation team and the senior management at least once every year which is in line with the Company's Annual reporting periods.

e) Fair value of financial assets and liabilities measured at amortised cost

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include, cash and bank balances, trade and other receivables, trade and other payables, staff loans and bank deposits without a specific maturity. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

(All amounts in lakhs of Indian Rupees unless otherwise stated)

30 Financial risk management

Introduction

Risk management is an integral part of the business practices of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The financial instruments held by the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk. In addition, the Company is indirectly exposed to market risk through management fee income which is determined by the assets under management. The Company uses different methods such as sensitivity analysis to measure different types of risk to which it is exposed.

a) Market risk

Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

i) Foreign exchange risk

The Company is exposed to foreign exchange risk primarily through balances arising in the normal course of business (i.e. on Trade Payables and Receivables) that are denominated in a currency other than the Company's functional currency. The sensitivity analysis of foreign currency receivables/payables is depicted below

Particulars	Impact on profit after tax and equity	
	March 31, 2024	March 31, 2023
Rupees – Strengthen 1.50% (2023 – 1%)	(19)	(10)
Rupees – Weakens 1.50% (2023 – 1%)	19	10

ii) Interest rate risk

Interest rate risk is the risk where the Company is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of a changes in market interest rates.

The Company does not have any variable rate borrowings. There are some investments in fixed rate debt securities measured at fair value through profit or loss.

The Company is exposed to interest rate risk from investments held in units of the funds it manages. These funds invests in equity and debt securities. In case of equity investments the units are fairly backed by equity price risk rather than credit risk. The exposure to interest rate risk in case of units backed by debt securities is measured using sensitivity analysis as follows:

Particulars	Impact on profit after tax and equity	
	March 31, 2024	March 31, 2023
Interest rate – Increase 1.85% (2023 – 0.5%)	(399)	(38)
Interest rate – Decrease 1.85% (2023 – 0.5%)	399	38

iii) Price Risk

Price risk is the risk that the financial assets at fair value through profit or loss may fluctuate as a result of changes in market prices.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had changed by 10.9% (2023 -8.7%) with all other variables held constant, and that all the Company's investments moved in line with the index.

Particulars	Impact on profit after tax and equity	
	March 31, 2024	March 31, 2023
NSE Nifty 50 – Increase 10.95% (2023 – 8.7%)	824	436
NSE Nifty 50 – Decrease 10.95% (2023 – 8.7%)	(824)	(436)

Profit for the period would increase/decrease as a result of gains/losses on investments classified as at fair value through profit or loss.

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2024 (Continued)

(All amounts in lakhs of Indian Rupees unless otherwise stated)

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from its investment transactions.

Credit risk is monitored on an ongoing basis by the Company in accordance with policies and procedures in place. the Company is exposed to credit risk from investments held in units of the funds it manages. These investments are measured at fair value through profit or loss. the Company has no significant concentration of credit risk.

The Company's financial assets subject to the expected credit loss model under Ind AS 109 are cash and cash equivalents, security deposits, trade receivables, staff loans etc.

Staff loans and receivables have been considered to enjoy the low credit risk as they meet the following criteria:

- i) they have a low risk of default,
- ii) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and
- iii) the Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the counterparty to fulfil its obligations.

The Company has placed security deposit with lessors for premises leased by the Company at various locations in India as at March 31, 2024 of Rs. 253 lakhs and March 31, 2023 of Rs. 157 lakhs. the Company does not perceive any significant decline in credit risk of the lessors where the amount of security deposit is material and hence expected probability of default is considered as zero.

Cash and cash equivalents, bank deposits are held with only high rated banks/financial institutions, credit risk on them is therefore insignificant.

Reconciliation of loss allowance provision – Trade receivables arising from contracts with customers

Particulars	Trade Receivables
Loss allowance on Mar 31, 2022	98
Changes in loss allowance	-
Loss allowance on Mar 31, 2023	98
Changes in loss allowance	-
Loss allowance on Mar 31, 2024	98

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	253	157
Staff loans	-	1
Receivables	8,627	5,960
Cash and cash equivalents	621	186

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. the Company believes that current cash and bank balances, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since Company has no material external borrowings. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows and include estimated interest payment and exclude the impact of netting agreement as at the balance sheet date:

As at March 31, 2024	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	2 years and beyond	Total
Trade payables	4,650	-	-	-	-	4,650
Other financial liabilities	118	-	637	-	-	755
Lease Liabilities	111	112	223	448	1,258	2,152
Total	4,879	112	860	448	1,258	7,557

As at March 31, 2023	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	2 years and beyond	Total
Trade payables	2,815	-	-	-	-	2,815
Other financial liabilities	96	-	9,054	-	-	9,150
Lease Liabilities	21	20	41	82	224	388
Total	2,932	20	9,095	82	224	12,353

(All amounts in lakhs of Indian Rupees unless otherwise stated)

31 Capital Management

For the purpose of the Company's Capital Risk Management, "Capital" includes equity capital, securities premium and all other equity reserves attributable to the shareholders. The Company's objectives in managing its capital is to safeguard the ability to continue as a going concern, and to optimise its return to its shareholders.

The management of the Company's capital position is undertaken by the management team of the Company. The management team ensures that the Company is adequately capitalised to meet economic and regulatory requirements. The management team meets on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, profitability and market movements. The management monitors the return on capital as well as the level of dividends to the shareholders. Please also refer Note 40 on Networth compliance.

32 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	621	-	621	186	-	186
Receivables						
(I) Trade receivables	8,627	-	8,627	5,960	-	5,960
Other financial assets	-	253	253	158	-	158
Investments	23,920	15,414	39,334	6,955	21,148	28,103
Non-financial assets						
Current tax assets (Net)	-	2,093	2,093	-	1,510	1,510
Property, plant and equipment	-	2,028	2,028	-	1,848	1,848
Right-of-use assets	-	2,099	2,099	-	300	300
Other intangible assets	-	308,309	308,309	-	308,346	308,346
Goodwill	-	108,074	108,074	-	108,074	108,074
Other non-financial assets	1,269	3,289	4,558	1,171	3,310	4,481
Total assets	34,437	441,559	475,996	14,430	444,536	458,966

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	167	-	167	137	-	137
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,483	-	4,483	2,678	-	2,678
Lease Liabilities	446	1,706	2,152	54	261	315
Other financial liabilities	755	-	755	9,150	-	9,150
Non-financial Liabilities						
Current tax liabilities (Net)	1,701	-	1,701	515	-	515
Provisions	183	1,307	1,490	163	1,271	1,434
Deferred tax liabilities (Net)	-	77,674	77,674	-	77,835	77,835
Other non-financial liabilities	2,976	-	2,976	1,639	-	1,639
Total liabilities	10,711	80,687	91,398	14,336	79,367	93,703

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2024 (Continued)

(All amounts in lakhs of Indian Rupees unless otherwise stated)

33 Contingent Liabilities

- a) Direct tax matters disputed by the Company are Rs. 754 lakhs (March 31, 2023 : Rs. 696 lakhs)
b) Indirect tax matters disputed by the Company are Rs. 860 lakhs (March 31, 2023 : Rs. 438 lakhs)

34 Employee share based payments

a) HSBC Asset Management (India) Private Limited - Employee share based payment scheme (equity settled):

Restricted share plan represents restricted stock award granted to select high potential employees. Shares are awarded through Restricted Shares of HSBC Holdings Plc. At the end of the vesting period the shares awarded will be transferred to the employee provided the employee continues to be in employment. These restricted shares have been awarded to the employees.

Set out below is a summary of shares granted under the plan:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Number of shares	Number of shares
Outstanding at the beginning of period	9,522	11,406
Granted	765	4,128
Exercised	-	-
Released	(4,100)	(5,965)
Cancelled	(154)	
Forfeited	(28)	(47)
Outstanding at the end of period	6,005	9,522

b) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
HSBC Asset Management (India) Private Limited - Employees share based payment scheme (equity settled)	10	10
Total	10	10

35 Earnings per equity share

The computation of basic and diluted earnings per share is given below:-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic & Diluted earnings per share		
Net profit / loss after tax available for equity shareholders (A)	19,310	1,382
Weighted average number of equity shares outstanding for basic and diluted EPS (B)	344,415,000	161,547,916
Basic and Diluted earnings per share (A) / (B)	5.61	0.86
Nominal value per share	10	10

36 Investment in unconsolidated structured entities

The Company acts as the fund manager for HSBC Mutual Fund, and through its rights as a manager, has a significant involvement in decision-making over the funds' operations and activities. However, fund managers are subject to substantial restrictions under local laws and regulations including regulator's and trustees' oversight. The Company considers its decision making powers as a fund manager to be held in an 'agent' capacity. The accounting framework provides guidance to apply the agency concept only while assessing whether the fund is a subsidiary of the fund manager. Ind AS 28 does not provide guidance on how to apply the agency concept, while assessing significant influence. Accordingly, the Company assesses significant influence over managed funds by considering rights, restrictions etc., as required by Ind AS 28, but excluding decision-making powers held in its capacity as an 'agent' from such assessment, depending on facts and circumstances of each case.

The company does not have any interest in unconsolidated structured entities during the FY 2023-24.

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2024 (Continued)

(All amounts in lakhs of Indian Rupees unless otherwise stated)

37 Related party disclosures

As per Ind AS 24 on 'Related Party Disclosure', the related parties are as follows:

Names of related parties and nature of relationship

1 Holding Company

HSBC Securities and Capital Markets (India) Private Limited

2 Ultimate Holding Company

HSBC Holdings PLC

3 Fellow subsidiaries

The Hong Kong and Shanghai Banking Corporation Limited - India Branches
 HSBC Global Asset Management (Hong Kong) Limited
 HSBC Software Development (India) Private Limited
 HSBC Electronic Data Processing (India) Private Limited
 HSBC Global Asset Management Limited
 The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong
 HSBC Global Asset Management (Singapore) Limited
 HSBC Group Management Services Limited
 HSBC Global Services Limited
 HSBC Global Services (Hong Kong) Limited
 HSBC Electronic Data Processing (Philippines), Inc.
 HSBC Global Services (UK) Limited
 HSBC Trustees (India) Private Limited (w.e.f 09 January, 2024)

4 Subsidiary Company

HSBC Consultancy Services (India) Limited (upto 16 October, 2023)(refer note 39(a))

5 Key management personnel

Mr. Ravi Menon (CEO & Director) (resigned w.e.f 30 April, 2023)
 Mr. Kailash Kulkarni (CEO & Director)
 Mr. Dinesh Kumar Mittal (Non Executive Director) (resigned w.e.f 29 September, 2023)
 Dr. Indu Shahani (Non Executive Director)
 Mr. Kapil Seth (Non Executive Director) (appointed w.e.f. 20 September, 2023)
 Mrs. Roopa Varma (Non Executive Director) (appointed w.e.f. 20 September, 2023)

(i) Transactions during the year are as under:

Particulars	with Holding company	with Ultimate Holding company	with Subsidiary company	with fellow Subsidiaries	with Key Management Personnel
Advisory fees	-	-	-	4,469	-
	-	-	-	(4,013)	-
Managerial Remuneration ^	-	-	-	-	576
	-	-	-	-	(465)
Director's Sitting Fees	-	-	-	-	21
	-	-	-	-	(20)
Professional Fees and Expenses	-	-	-	1	-
	(4)	-	-	(0)	-
Equity Infusion	-	-	-	-	-
	(343,631)	-	-	-	-
Support service charges	-	-	-	1,797	-
	-	-	-	(1,310)	-
Telephone, courier and postage	-	-	-	5	-
	-	-	-	-	-
Rent	-	-	-	876	-
	-	-	-	(578)	-
Repairs and maintenance - Computers	9	-	-	537	-
	(20)	-	-	(469)	-
Repairs and maintenance - Others	-	-	-	0	-
	-	-	-	-	-
Business Development Expenses	-	-	-	-	-
	-	-	-	(3)	-
Bank and Guarantee charges	-	-	-	6	-
	-	-	-	(1)	-
Staff Welfare	-	-	-	4	-
	-	-	-	(21)	-
Investment in Subsidiary	-	-	-	-	-
	-	-	(10,384)	-	-
Brokerage and incentives	-	-	-	350	-
	-	-	-	(220)	-

Amounts in brackets represents amount relating to previous year

^ The remuneration to the key managerial personnel does not include the provisions made for gratuity, leave encashment and incentives which are provided for group of employees on an overall basis.

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Key managerial remuneration compensation

Particulars	31-Mar-24	31-Mar-23
Short-term employee benefits	562	438
Post-employment benefits	14	17
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	-	10
Total	576	465

(ii) Outstanding balances at the year end with related parties:

Particulars	with Holding companies	with Ultimate Holding companies	with Subsidiary company	with fellow Subsidiaries	with Key Management Personnel
Assets					
Advisory fees receivable					
31-Mar-24	-	-	-	2,966	-
31-Mar-23	-	-	-	1,752	-
Deposit for premises					
31-Mar-24	-	-	-	-	-
31-Mar-23	-	-	-	74	-
Balances with banks					
31-Mar-24	-	-	-	589	-
31-Mar-23	-	-	-	179	-
Liabilities					
Trade Payables					
31-Mar-24	5	-	-	1,421	-
31-Mar-23	2	-	-	540	-
Payable to Ultimate Holding					
31-Mar-24	-	36	-	-	-
31-Mar-23	-	-	-	-	-
Payable to Subsidiary					
31-Mar-24	-	-	-	-	-
31-Mar-23	-	-	8,562	-	-
Payable to KMP					
31-Mar-24	-	-	-	-	-
31-Mar-23	-	-	-	-	1
Rent & Utilities					
31-Mar-24	-	-	-	2	-
31-Mar-23	-	-	-	10	-

38 Segment information

The Company is domiciled in India. the Company is engaged in business of providing asset management services, which is considered to be only reportable segment (in accordance with Ind AS 108)

a) Segment revenue

The Company operates as a single segment. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Segment revenue		
- India	50,613	21,738
- Outside India	-	-
Total	50,613	21,738

There is one customer (previous year - two customers) contributing in excess of 10% of the total revenue for the Company.

b) Segment assets and segment liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Segment assets - India	475,996	458,966
Segment liabilities - India	91,398	93,703

(All amounts in lakhs of Indian Rupees unless otherwise stated)

39(a) Current year- Amalgamation of subsidiary

Scheme of amalgamation of HSBC Consultancy Services (India) Limited (formerly known as L&T Investment management Limited) into HSBC Asset Management (India) Private Limited and their respective Shareholders under Section 230 to 232 of the Companies Act, 2013 (the Scheme) –

The National Company Law Tribunal vide order dated 13 October 2023 has sanctioned the Scheme of Amalgamation of HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited) ("Transferor Company"), subsidiary of HSBC Asset Management (India) Private Limited into HSBC Asset Management (India) Private Limited ("Transferee Company" or "the Company"), and their respective shareholders under Section 230 to 232 of the Act. The Transferor Company was dissolved without winding-up and merger effected from 16 October 2023 upon filing of certified copy of NCLT Order dated 13 October 2023 in INC-28.

As per the para 5.3 of the Scheme approved by NCLT, on the date of last substantive approval (16 October 2023), the Company has recognized the assets and liabilities of the Transferor Company at their respective carrying values and inter-company balances are eliminated. Further, the carrying value of investment in the Transferor Company in the books of the Company is derecognized and the difference between the carrying value of Transferor Company's net assets acquired by the Company and carrying value of investments in Transferor Company has been recognized in the Statement of Profit and Loss for the year ended March 31, 2024.

Details are as follows –

Particulars	Amount in Lakhs
Carrying value of assets and liabilities of the Transferor Company	
Cash and cash equivalents	757
Current tax assets (Net)	969
Receivables	15
Receivables from HSBC Asset Management (India) Private Limited*	8,561
Liabilities	(6)
Net assets acquired by the Company (a)	10,296
Derecognition of the carrying value of investment (b)	10,384
Loss on amalgamation	88

* This has been eliminated against the payable to subsidiary in the books of the Company.

39(b) Previous year- Business Combination

Acquisition of HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

On November 25, 2022, the Company acquired 100% shares of HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited ("LTIM")) post all necessary regulatory approvals were obtained. With this, the Company became 100% owner of LTIM. The acquisition was made to increase the Company's presence in asset management industry through inorganic growth.

The transaction was subject to approval of Securities and Exchange Board of India ("SEBI"). As a part of its approval, SEBI required LTIM to cease acting as an asset management company and surrender its approval to act as an asset management company.

Immediately upon acquisition, with a view to maintain simple corporate structure, enable direct control over the undertaking of LTIM and eliminate duplicative corporate procedures, the board of directors of the Company and LTIM approved the corporate merger of two entities to take place with effect from appointed date (i.e start of business hours on November 25, 2022) as defined in the scheme of merger. The scheme of merger ("the scheme") was submitted by the Company for approval of Hon'ble National Company Law Tribunal (Mumbai bench) ("NCLT"). NCLT heard the merger application on August 24, 2023 and reserved the matter for pronouncement of order.

Further to run the mutual fund schemes operated by L&T Mutual fund, pending approval of the scheme of merger, LTIM undertaking was acquired by the Company on a going concern basis through an agreement dated November 25, 2022.

Together all these transaction constitute "Business Combination" as per Ind AS 103.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration:

Particular	Amount
Cash Consideration paid to selling shareholder of LTIM (A)	348,544
Consideration payable to LTIM for business transfer (B)	8,700
Total purchase consideration	357,244

The assets and liabilities recognised as a result of the acquisition at acquisition date fair value:

Particular	Amount
Cash	1,818
Plant and equipment	-
Plan Asset (Net)	30
Investments in Mutual Funds	8,118
Indefinite-lived Intangible assets: Asset Management Rights	-
Current tax assets*	1,684
Trade payables	(1,812)
Deferred Tax Liability	-
Net assets acquired excluding goodwill (C)	9,838
Goodwill (A-C)	-
Total net assets acquired	9,838
Receivable by LTIM from the Company	8,700
Total purchase consideration	18,538

*Current tax assets were not transferred pursuant to agreement dated November 25, 2022.

The goodwill is attributable to the assembled workforce, distribution network and the high profitability of the acquired business and will not be deductible for tax purposes.

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Revenue and profit contribution –

The acquired business contributed revenues and profits to the Company for the period 31 March 2023 as follows:

- (a) LTIM: Post acquisition, the schemes managed by LTIM and the Company were merged and accordingly the disclosure of post-acquisition revenue and profit attributable to LTIM business is impracticable.

If the acquisitions had occurred on April 1, 2022, consolidated pro-forma revenue and profit for the year ended 31 March 2023 would have been higher by Rs. 22,955 lakhs and Rs.9,938 lakhs respectively. These amounts have been calculated using the LTIM's audited results for the period April 01, 2022 till November 25, 2022 after adjusting for accounting policy differences and additional depreciation and amortisation based on fair values of Property, plant and equipments and intangibles, if any.

- (b) Purchase consideration – cash outflow

Particular	Amount
Outflow of cash to acquire business, net of cash acquired	
Cash consideration	348,544
Less: Cash acquired during business combination	1,818
Net outflow of cash – investing activities	346,726

Acquisition-related costs

Acquisition-related costs of Rs. 1,391 lakhs that were not directly attributable to the issue of shares are included in other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

40 Networth Compliance

As at 31 March, 2024

The net-worth of the Company as at March 31, 2024 is Rs. 44,357 lakhs. While computing the net-worth, the intangibles (Asset Management Rights (AMR) recognized as part of the business combination) have been netted off with the associated deferred tax liability (DTL) of Rs. 77,568 lacs. The Company had made a detailed written representation to SEBI, to take cognizance of the net-worth computation of the Company as per this approach including appropriate mitigation measures to be taken by the Company, if requested by SEBI, to meet the minimum net-worth requirements vide its letter dated September 20, 2023. SEBI had taken our submission on record vide its letter dated September 26, 2023.

This approach has been followed by the Company for computation of net-worth while making quarterly net-worth related submissions to SEBI and there have been no adverse comments from SEBI on these regulatory submissions. Further, based on the management assessment, the Company does not expect any adverse regulatory action in this regard.

As at 31 March, 2023

The Company has recognised certain indefinite-lived intangible assets (asset management rights or AMR) as part of business combination as per the principles of Ind AS 103, Business Combinations. This has resulted in recognition of deferred tax liability (DTL) of INR 77,568 lakhs in accordance with Ind-AS 12 – Income taxes. The recognition of DTL has also led to an increase in goodwill by INR 77,568 lakhs to Rs. 108,074 lakhs. Also refer to business combination related disclosure in Note 39(b).

As per the definition of Networth under Regulation 2(qa) of SEBI (Mutual Funds) Regulations, 1996 all intangible assets need to be deducted in arriving at the Networth of the company for SEBI regulations purposes. Please refer table below for details of this computation.

The additional DTL recorded of INR 77,568 lakhs arises entirely as a result of the gross carrying value of AMR and is inseparably linked to it and hence in Company's view the intangibles should be netted off with associated DTL while calculating Networth as per the MF Regulations.

The Company has made a detailed written representation to SEBI, to take cognizance of the networth computation of the Company as per this approach including appropriate mitigation measures to be taken by the Company, if requested by SEBI, to meet the minimum networth requirements vide its letter dated September 20, 2023. SEBI has taken our submission on record vide its letter dated September 26 2023.

Computation of Net Worth per SEBI Regulations	Amount in INR Lakhs
Paid Up Capital	34,441
Add: Free Reserves (excluding reserves created out of revaluation)	14,452
Add: Share premium account	315,470
Total (1) – Share Capital & Reserves as at 31 March 2023	364,363
Less: Miscellaneous expenditure to the extent not written off or adjusted or deferred revenue expenditure	-
Less: Accumulated losses	-
Less: Intangible assets	
Asset Management Rights	(308,200)
Goodwill (including incremental goodwill of INR 77,568 lakhs arising on recognition of DTL on AMR described above)	(108,074)
Total (2) – Deductions	(416,274)
Networth as per the SEBI (Mutual Fund) Regulations	(51,911)
Add: Incremental deferred tax liability adjusted based on submissions to SEBI	77,568
Adjusted Networth	25,657

(All amounts in lakhs of Indian Rupees unless otherwise stated)

41 Additional Regulatory Information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company does not have any borrowings from banks and financial institutions and hence the quarterly returns or statements of current assets filing with the banks and financial institutions is not applicable.

(iii) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

(iv) Relationship with struck off Companies

The Company has no transactions with the companies struck off under the Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of Borrowed funds and Share premium

A The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B During current year, group has not received any funds from any person or entity, including foreign entities ('funding party') with the understanding, whether recorded in writing or otherwise that the group shall:

- (i) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

During the previous year, on 17 November 2022, the Company sent the Letter of Offer inviting its existing shareholders to subscribe to further issue by way of right shares ('issue') for 326,431,802 Equity Shares at an issue price of INR 121.50 per share on the basis of 53 equity shares for every 10 fully paid equity shares held in the Company (Refer Note 19).

(i) The details of investment are as follows:

(a) Date of funds received

November 23, 2022

(b) Amount

Rs. 343,631

(c) Complete details of Funding Party

Name

HSBC Securities and Capital Markets (India) Private Limited

Address

52/60, Mahatma Gandhi Road, Fort, NA Mumbai MH 400001 IN

Relationship with AMIN

Holding Company

(d) For details of further investment, refer to Note 39

(ii) the Company has not provided any guarantee, security or the like, to or on behalf of the Ultimate Beneficiaries

(iii) the Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 and are not in violation of Prevention of Money-Laundering Act, 2002 (15 of 2003).

(viii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that is required to be recorded in the books of account.

(ix) Details of crypto currency of virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of Property Plant and Equipment, Intangible Assets

The Company has not revalued its property, plant and equipment (including Right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the Company

The Company does not have immovable properties hence this clause is not applicable.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are required to be registered with the Registrar of Companies.

(xiii) Loans or advances to any key management personnel

The Company has not given any loan / advance to any key management personnel or its relatives.

(xiv) Financial Ratios

The Company is in the business of providing Asset Management Services, financial ratios such as Capital to risk-weighted assets ratio ('CRAR') and Liquidity Coverage Ratio are not applicable.

(All amounts in lakhs of Indian Rupees unless otherwise stated)

(xv) Audit Trail

As per the definition of MCA, the Company has identified three applications which meet the definition of books of accounts. All these applications have a feature of recording audit trail (edit log) facility. This has operated throughout the year for all transactions recorded in these applications.

At a database level the audit trail does not contain the pre-modified values i.e old value and new value of the changes made to the masters/transactions. Access to in scope databases is controlled via privilege access management tool – "Total Privilege Access Management Tool" (TPAM) and access is granted on need basis only which is controlled through the access management process of the Company. All activities performed on databases are recorded through privilege session monitoring via IBM Guardium tool. In addition, while the backend update in this database is not frequent, the Guardium logs capture the details around user who got the access, the query executed by the user and date of execution. The Guardium logs are reviewed by a Central team and in case any discrepancies are noted then appropriate steps are initiated per the policy and process of the company.

Based on the factors above, the Company has established and maintained an adequate internal control framework and based on its assessment, believes that there is no impact of this on the financial statements as on March 31, 2024.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Sd/-
Ketan Asher
Partner
Membership No: 113522

Place: Mumbai
Date: July 26, 2024

For and on behalf of the Board of Directors of
HSBC Asset Management (India) Private Limited

Sd/-	Sd/-
Dr. Indu Shahani	Kailash Kulkarni
Director	Director & CEO
DIN No: 00112289	DIN No: 07242982

Sd/-
Sneha Shetty
Company Secretary
ACS 32038

Place: Mumbai
Date: July 08, 2024