Independent Auditor's Report

To the Members of HSBC InvestDirect (India) Private Limited

Report on the Audit of the Financial statements

Opinion

1. We have audited the accompanying financial statements of HSBC InvestDirect (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 do 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 performed, 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 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, 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
   - 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.

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 A 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 for 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) Clause (i) of Section 143(3) on internal financial controls with reference to financial statements is not applicable pursuant to notification G.S.R 583(E) dated 13 June 2017.

(g) 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.

(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 24 to the financial statements.

ii. The Company did not have any long-term contracts for which there were any material foreseeable losses. 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 Note 35 to the financial statements, 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend 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 Note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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. In respect of two accounting software, the audit trail feature 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. With respect to other software 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 37 to the standalone 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/-

Ritesh Dedhia
Partner
Membership Number: 117607

UDIN: 24117607BKFQVA7823
Mumbai
June 13, 2024

Annexure A to Independent Auditors' Report

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) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(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 title deeds of all the immovable properties are not available with the Management. Hence, alternate audit procedures were performed to verify immovable properties as disclosed in Note 8 Investment Property to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment. 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 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 from banks and financial institutions 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) The Company has granted unsecured loans to a associate. The aggregate amount during the year and balance outstanding at the balance sheet date with respect to such loans or advances to associate are as per the table given below:

	Guarantees	Security	Loans	Advance in nature of Loan
Aggregate amount granted/provided during the year to Associates	NA	NA	5,800,000	NA
Balance outstanding as on balance sheet date in respect of the above case to Associates	NA	NA	4,055,000	NA

(Also refer Note 4 to the financial statements)

(b) In respect of the aforesaid loan, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loan, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) There were no loans which were granted during the year, including to promoters/related parties. That were repayable on demand or without specifying any terms or period of repayment.

iv. The Company has not granted any loans or provided any guarantees or security in connections with any loan taken by the parties covered under section 185. Therefore, the provisions of section 185 is not applicable to the Company. The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of the loans granted by it. The Company has not made any investments or provided any guarantees or security to the parties covered under Sections 186. Therefore, the reporting under clause 3(iv) of the Order to that 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) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Municipal taxes the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, income tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2024, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
Bengaluru Muncipal Corporation	Property Tax	1,500,000	Since Inception	Various	Not Paid	Unpaid Property Tax

(b) According to the information and explanations given to us and the records of the Company examined by us 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 000)	Period to which the amount relates	Forum where the dispute is pending
The Income tax Act 1961	Income Tax	253	April 01, 2002, to March 31, 2003	Income Tax Appellate Tribunal
The Income tax Act 1961	Fringe Benefit Tax	470	April 01, 2005, to March 31, 2006	Commissioner of Income Tax (Appeals)
The Income tax Act 1961	Income Tax	15,178	April 01, 2018, to March 31, 2019	Assistant Commissioner of Income Tax (Appeals)

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.

(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 subsidiaries or associates.

(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 subsidiaries or associate companies.

(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.

(x)(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.

(xi)(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.

(xi)(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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3((xi)(c) of the Order is not applicable to the Company.

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.

xiii. The Company is a private company as defined under section 2(68) of the Act and has entered into transactions only with the related parties covered under section 2(76)(viii). Consequently, the provisions of section 188 are not applicable to the Company. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act. Accordingly, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

(xiv)(a) In our opinion and based on our examination, the Company did not have an internal audit system during the year.

(xiv)(b) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. 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 an exempted Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and it continues to fulfil the criteria of being exempt from the registration requirements.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs other than the Company. 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) On the basis of the financial ratios, 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.

(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
Chartered Accountants

Sd/-

Ritesh Dedhia
Partner
Membership Number 117607
UDIN : 24117607BKFQVA5823

Mumbai
June 13, 2024

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

(All amounts in INR thousand, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	3A	803	645
Other bank balance	3B	2,673	2,673
Loans	4	1,854,055	1,868,255
Investments	5	3,579,490	3,461,252
Other financial assets	6	-	760
Non-financial assets			
Current tax assets (Net)	7	84,605	84,240
Deferred tax assets (Net)	8	-	160
Investment property	9	3,401	3,556
Other non-financial assets	10	900	1,645
Total assets		**5,525,927**	**5,423,186**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	5,800	3,629
Other financial liabilities	12	11,767	3,145
Non-financial Liabilities			
Currrent tax liabilities (Net)	13	1,736	4,926
Provisions	14	114	350
Deferred tax liabilities (Net)	8	1,120	-
Other non-financial liabilities	15	792	982
EQUITY			
Equity share capital	16	709,544	709,544
Other equity	17	4,795,054	4,700,610
Total equity		**5,504,598**	**5,410,154**
Total liabilities and equity		**5,525,927**	**5,423,186**

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/-
Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
June 13, 2024

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

Sd/-
Berlin Varghese
Managing Director
(DIN 10059070)

Sd/-
Roopa Varma
Additional Director
DIN: 09779388

Sd/-
Sneha Doshi
Company Secretary
M.No. ACS 18001

Sd/-
Sunita Sarda
Chief Financial Officer
M.No. 128484

Mumbai
June 13, 2024

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

(All amounts in INR thousand, unless otherwise stated)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations			
Interest income	18	143,574	112,099
Net gain on fair value changes	19	5,344	9,734
Total revenue from operations		**148,918**	**121,833**
Other income	20	-	335
Total income		**148,918**	**122,168**
Expenses			
Employee benefits expenses	21	8,816	16,153
Depreciation	9	155	128
Other expenses	22	11,093	10,414
Total expenses		**20,064**	**26,695**
Profit before tax		**128,854**	**95,473**
Income tax expense:			
- Current tax	23	32,600	25,800
- Deferred tax	23	1,299	(693)
- (Excess) / Short provision for tax for earlier years		453	(606)
Total tax expense		**34,352**	**24,501**
Profit for the year		**94,502**	**70,972**
Other comprehensive income			
i) Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations - gain/(loss)	25	(76)	51
ii) Income tax relating to items which will not be reclassified to profit or loss		19	(13)
Other comprehensive income		**(57)**	**38**
Total comprehensive income		**94,445**	**71,010**
Earnings per equity share (Nominal value of Rs. 10 per share)			
- Basic (Rs.)	27	1.33	1.00

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/-
Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
June 13, 2024

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

Sd/-
Berlin Varghese
Managing Director
(DIN 10059070)

Sd/-
Roopa Varma
Additional Director
DIN: 09779388

Sd/-
Sneha Doshi
Company Secretary
M.No. ACS 18001

Sd/-
Sunita Sarda
Chief Financial Officer
M.No. 128484

Mumbai
June 13, 2024

HSBC InvestDirect (India) Private Limited
Statement of Changes in Equity as at March 31, 2024

(All amounts in INR thousand, unless otherwise stated)

A. Equity share capital

1) For the year ended March 31, 2024

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
709,544	-	-	-	709,544

2) For the year ended March 31, 2023

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
709,544	-	-	-	709,544

B. Other Equity

1) For the year ended March 31, 2024

	Reserves and Surplus			Total
	Securities Premium*	Retained Earnings	Amalgamation Reserve	
As at April 1, 2023	4,431,638	225,259	43,713	4,700,610
Total Income for the current year	-	94,502	-	94,502
Remeasurements of post-employment benefit obligation, net of tax	-	(57)	-	(57)
Transfer from securities premium	-	-		-
As at March 31, 2024	4,431,638	319,703	43,713	4,795,054

For the year ended March 31, 2023

	Reserves and Surplus			Total
	Securities Premium*	General Reserve	Amalgamation Reserve	
As at April 1, 2022	5,323,051	(737,164)	43,713	4,629,600
Total Income for the current year	-	70,972	-	70,972
Remeasurements of post-employment benefit obligation, net of tax	-	38	-	38
Transfer from securities premium	(891,413)	891,413	-	-
As at March 31, 2023	4,431,638	225,259	43,713	4,700,610

* Refer Note 34

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/-
Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
June 13, 2024

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

Sd/-
Berlin Varghese
Managing Director
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DIN: 09779388

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Sneha Doshi
Company Secretary
M.No. ACS 18001

Sd/-
Sunita Sarda
Chief Financial Officer
M.No. 128484

Mumbai
June 13, 2024

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

(All amounts in INR thousand, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax:	128,854	95,473
Adjustments :		
Depreciation and amortisation	155	128
Unrealised fair value changes on financial instrument at fair value through profit or loss	(4,761)	(285)
Operating profit before working capital changes	**124,248**	**95,316**
Adjustments for working capital changes:		
Decrease / (increase) in loans	14,200	(231,750)
(Increase) in other bank balance	-	(2,673)
Decrease in other financial assets	760	-
Decrease / (increase) in other non financial assets	745	(1,020)
Increase in trade payables	2,171	787
(Decrease) in provision	(312)	(364)
Increase / (decrease) in other financial liabilities	8622	(115)
(Decrease) in other non financial liabilities	(190)	(977)
Cash generated from operations	150,244	(140,796)
Less : Income taxes paid (net of refunds)	(36,609)	(23,061)
Net cash inflow / (outflow) from operating activities	**113,635**	**(163,857)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Net (Purchase) / Sale of Investments	(113,477)	161,151
Net cash inflow / (outflow) from investing activities	**(113,477)**	**161,151**
CASH FLOW FROM FINANCING ACTIVITIES :	-	-
Net cash inflow / (outflow) from financing activities	**-**	**-**
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**158**	**(2,706)**
Add : Cash and cash equivalents at beginning of the year	645	3,351
Cash and cash equivalents at end of the year	**803**	**645**

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	803	645
Balances with banks in current account for capital reduction	2,673	2,673
Balances as per statement of cash flows	**3,476**	**3,318**

Note:
i) Amount spent in cash towards Corporate Social Responsibility is INR 1,900 (March 2023: 1,940)
ii) Balance 2,673 for March 2024 (March 31, 2023: 2,673) is held for payment to shareholders for capital reduction.
iii) Since the entity doesn't have any debt for the current and previous Financial year. Hence, the net debt is not applicable.

The above statement of cash flows should be read in conjunction with the accompanying notes.
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.
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/-
Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
June 13, 2024

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

Sd/-
Berlin Varghese
Managing Director
(DIN 10059070)

Sd/-
Roopa Varma
Additional Director
DIN: 09779388

Sd/-
Sneha Doshi
Company Secretary
M.No. ACS 18001

Sd/-
Sunita Sarda
Chief Financial Officer
M.No. 128484

Mumbai
June 13, 2024

1 Background

HSBC InvestDirect (India) Private Limited (the “Company”) was incorporated on September 1, 1997. The principal activity of the Company is investing in and providing loans to its subsidiaries, associates and employees' welfare trusts. As at 31 March 2024, the Company has investments in two subsidiary companies and one associate company.

As per Regulatory Framework issued by Reserve Bank India (“RBI”) from time to time for Core Investment Companies (“CICs”) the Company has an asset size of more than INR 100 crore, however has no access to public funds and consequently does not require registration with RBI.

2A Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Basis of preparation

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent applicable and relevant, and other relevant provisions of the Act.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
• certain financial assets and liabilities are measured at fair value; and
• defined benefit plans - plan assets are measured at fair value.

Presentation

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company presents its financial statements in accordance with Division III of Schedule III to the Companies Act, 2013. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in **Note 31**.

(ii) Segment reporting

The Company's Chief Operating Decisions Maker (CODM), who has the ability to evaluate performance and allocates resources, is the Managing Director (MD). In a manner consistent with the internal reporting provided to the MD for corporate planning, there are no separate reportable segments (including geographical segments).

(iii) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on the following assets has been based on the management’s estimate of useful life or remaining useful life. It is based on straight line method over the estimated useful lives of the assets, in order to reflect the actual usage of the assets.
The residual values are not more than 5% of the original cost of the asset.
Useful life of the fixed assets is estimated as under:

Category of assets	Useful lives followed by Company (years)	Useful lives prescribed in Schedule II (years)
Building	50	60 (RCC frame structure)

(iv) Investments, other financial assets, financial liabilities and equity

(a) Classification

The Company classifies its financial assets in the following measurement categories:
1. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
2. those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

For investments in debt instruments, this will depend on the classification of debt instruments depending on:
(i) the Company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset (Solely payments of principal and interest).

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.
The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
- how the asset's performance and the business model is evaluated and reported to key management personnel
- the risks that affect the performance of the business model and how these risks are assessed and managed
- how managers are compensated.

As a second step of its classification process, the Company assesses the contractual terms of financial instrument to identify whether they meet the SPPI test, where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit and loss.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition
Regular way of purchase and sales of financial assets are recognised on trade date the date on which the Company commits purchase or sale of financial asset.

(c) Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

Financial assets
Debt instruments:
Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in profit and loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows or for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in profit and loss using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in profit and loss.

Equity instruments
The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit and loss when the company's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial liabilities and equity instrument
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities
Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the effective interest rate method. Interest expense is recognised in profit and loss. Any gain or loss on derecognition of financial liabilities is also recognised in profit and loss. Undrawn loan commitments are not recorded in the balance sheet.

(d) Impairment of financial assets
The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. **Note 31.1** details how the company determines whether there has been a significant increase in credit risk.

(e) Derecognition

Financial assets

A financial asset is derecognised only when

1. The group has transferred the rights to receive cash flows from the financial asset or
2. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit and loss.

(f) Income recognition

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income under revenue from operations. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest rate method is recognised in the statement of profit and loss under revenue from operations.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(v) Income Tax:

The income tax expense for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(vi) Cash and cash equivalents:

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(vii) Provisions and Contingent Liabilities:

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed and disclosed as contingent liability.

(viii) Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

1. the profit attributable to owners of the company
2. by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ix) New Standards / Ammendments adopted by the Company

Ministry of Corporate affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) rules as issued from time to time. During the year ended Mar 31, 2024, MCA has not notified any new standards or amendments to the exisitng standards applicable to Company.

The Ministry of Corporate Affairs has vide notification dated 23 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2023.

Ind AS 1 – Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting policies, Changes in Accounting Estimates & Errors – The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(x) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

2B Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company’s accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates of judgements are:
- Estimation of current tax expense and current tax payable (refer Note 7 and 13)
- Estimation of defined benefit obligation (refer Note 25)
- Recognition of deferred tax assets (refer Note 8)
- Estimation of expected credit losses (refer Note 31)
- Estimation of provision for expense and levies (refer Note 11)

2C Summary of other accounting policies

(i) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on the following assets has been based on the management’s estimate of useful life/ remaining useful life. The residual values are not more than 5% of the original cost of the asset.

(a) Assets each costing INR 35000, previously INR 5000 or less are depreciated at 100% in the year of capitalisation.
(b) Useful life of the fixed assets is estimated as under:

FY 2023-24		
Category of assets	**Useful lives followed by Company (years)**	**Useful lives prescribed in Schedule II (years)**
Office Equipments	5	5
Data Processing Equipments - Laptop	4	3
Data Processing Equipments – Servers	5	6

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(ii) Non current assets (or disposal groups) held for sale and discontinued operations:

Non current assets (or disposal groups) are classified as held for sale if there carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

(iii) Employee Benefits:

(a) Short-term obligations

Liabilities for salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligations in the balance sheet.

(b) Post employement obligations

The Company operates the following post-employment schemes:
• defined benefit plans such as gratuity and
• defined contribution plans such as provident fund.

(1) Defined benefit plans (Gratuity)

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(2) Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit

(3) Bonus

The Company recognises a provision where it is contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Income Tax:

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(v) Leases - as a lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
• fixed payments (including in-substance fixed payments), less any lease incentives receivable

To determine the incremental borrowing rate, the Company uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
• the amount of the initial measurement of lease liability
• any lease payments made at or before the commencement date less any lease incentives received
• any initial direct costs, and
• restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(vi) Earnings per share

(a) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

1. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
2. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(vii) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(viii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and trade and other payables are presented as financial liabilities.

(All amounts in INR thousand, unless otherwise stated)

3A Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in current account	803	645
Total	**803**	**645**

3B Other bank balance

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in current account for capital reduction	2,673	2,673
Total	**2,673**	**2,673**

4 Loans (measured at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans to related parties	1,854,055	1,868,255
Total (A) - Gross	**1,854,055**	**1,868,255**
(Less): Impairment loss allowance	-	-
Total (A) - Net	**1,854,055**	**1,868,255**
Unsecured	1,854,055	1,868,255
Total (B) - Gross	1,854,055	1,868,255
(Less): Impairment loss allowance	-	-
Total (B) - Net	**1,854,055**	**1,868,255**
Loans in India		
- Public sector	-	-
- Others	1,854,055	1,868,255
Total (C) - Gross	1,854,055	1,868,255
(Less): Impairment loss allowance	-	-
Total (C) - Net	**1,854,055**	**1,868,255**

Particulars	As at March 31, 2024	As at March 31, 2023
Loans to related parties		
HSBC InvestDirect Financial Services (India) Limited	1,850,000	1,850,000
HSBC InvestDirect Securities (India) Private Limited	4,055	18,255
Total	**1,854,055**	**1,868,255**

The tenor of the loan was extended to 36 months w.e.f from February 24, 2023.
The purpose of the loans to HIFSL and HISL is to meet their working capital requirements from time to time.
The loans to HIFSL and HISL are unsecured. Interest rate ranges 8.53% p.a. to 8.77% p.a. for FY 2023-24 (5.78% p.a. to 8.00% p.a. for FY 2022-23).

HSBC InvestDirect (India) Private Limited
Notes to financial statements for the year ended March 31, 2024 (Contd.)

(All amounts in INR thousand, unless otherwise stated)

5 Investments

Particulars	At fair value through Profit or Loss	Others*	Total
As at March 31, 2023			
Mutual funds	26,793	-	26,793
Equity instruments			
Subsidiaries			
- HSBC InvestDirect Sales & Marketing (India) Limited	-	2,470	2,470
- HSBC InvestDirect Financial Services (India) Limited	-	3,402,634	3,402,634
Associate			
- HSBC InvestDirect Securities (India) Private Limited	-	2,434,000	2,434,000
Total (A) - Gross	**26,793**	**5,839,104**	**5,865,897**
(Less): Impairment loss allowance #	-	(2,404,645)	(2,404,645)
Total (A) - Net	**26,793**	**3,434,459**	**3,461,252**
Investments outside India	-	-	-
Investments in India	26,793	5,839,104	5,865,897
Total (B) - Gross	**26,793**	**5,839,104**	**5,865,897**
Total - Gross	26,793	5,839,104	5,865,897
(Less): Impairment loss allowance (C)	-	(2,404,645)	(2,404,645)
Total (D) - Net	**26,793**	**3,434,459**	**3,461,252**
As at March 31, 2024			
Mutual funds	145,031	-	145,031
Equity instruments			
Subsidiaries			
- HSBC InvestDirect Sales & Marketing (India) Limited	-	2,470	2,470
- HSBC InvestDirect Financial Services (India) Limited	-	3,402,634	3,402,634
Associates			
- HSBC InvestDirect Securities (India) Private Limited	-	2,434,000	2,434,000
Total (A) - Gross	**145,031**	**5,839,104**	**5,984,135**
(Less): Impairment loss allowance #	-	(2,404,645)	(2,404,645)
Total (A) - Net	**145,031**	**3,434,459**	**3,579,490**
Investments outside India	-	-	-
Investments in India	145,031	5,839,104	5,984,135
Total (B) - Gross	**145,031**	**5,839,104**	**5,984,135**
Total - Gross	145,031	5,839,104	5,984,135
(Less): Impairment loss allowance (C)	-	(2,404,645)	(2,404,645)
Total (D) - Net	**145,031**	**3,434,459**	**3,579,490**

* The Company has measured its investment in subsidiaries and associates at cost as per Ind AS 27.

Management tested for impairment of investments in associates. The company did not recognise an impairment or reversal thereof in current year and previous year.

(All amounts in INR thousand, unless otherwise stated)

6 Other financial assets

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Security deposits	-	760
Total	**-**	**760**

7 Current tax assets (net)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Advance tax and tax deducted at source (net of provision for tax of 523,060; March 31, 2023:469,870)	84,605	84,239
Total	**84,605**	**84,239**

8 Deferred tax asset

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Deferred tax asset :		
Expenses allowable on payment basis as per section 43B of Income Tax Act, 1961	290	170
Unrealised gain on mutual funds	-	80
Deferred tax liability:		
Property, plant and equipment; investment property	(210)	(90)
Unrealised gain on mutual funds	(1,200)	-
Deferred tax asset (Net)	**(1,120)**	**160**

9 Investment property

Building	**As at March 31, 2024**	**As at March 31, 2023**
Gross carrying amount		
Opening gross carrying amount	4,324	2,454
Additions/ re-classification (Refer footnote to Note 10)	-	1,870
Closing gross carrying amount	**4,324**	**4,324**
Accumulated depreciation		
Opening accumulated depreciation	768	640
Depreciation charge during the year	155	128
Closing accumulated depreciation	923	768
Net carrying amount	**3,401**	**3,556**
Less: Disposals (transfer to held for sale)	-	-
Carrying amount of Investment Property	**3,401**	**3,556**

(i) Amounts recognised in profit or loss for investment properties

Building	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental		
- Repairs and maintenance	(368)	(331)
Loss from investment properties before depreciation	(368)	(331)
Depreciation	(155)	(128)
Loss from investment properties	**(523)**	**(459)**

(All amounts in INR thousand, unless otherwise stated)

(ii) Fair value

Particulars	As at March 31, 2024	As at March 31, 2023
Investment properties (Building)	16,148	14,843

Estimation of fair value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

The fair values of investment properties have been determined by an independent valuer. The main inputs used are the current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences. These are classified as Level 3.

The Company has investment properties which is held in the erstwhile name i.e., IL&FS Investsmart Limited.

10 Other non-financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Others	713	1,149
Fair Value of Plan Assets (Refer Note 25)	187	496
Total	**900**	**1,645**

(All amounts in INR thousand, unless otherwise stated)

11 Trade payable

Particulars	As at March 31, 2024	As at March 31, 2023
- Total outstanding dues of micro enterprises and small enterprises		
- Total outstanding dues of creditors other than micro enterprises and small	5,800	3,629
Total	**5,800**	**3,629**

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	-	-
- 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.	-	-

Trade Payables aging schedule

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2024	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-	-
(i) Others	5,800	-	-	-	-	5,800
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2023	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-	-
(i) Others	3,629	-	-	-	-	3,629
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

12 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefits payable	304	568
Unclaimed amount towards Capital Reduction (Refer Note 33)#	2,577	2,577
Other payables*	8,886	-
Total	**11,767**	**3,145**

*Repayable to subsidiary (HIFSL) pertaining to excess interest.
#The movement in capital reduction as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	2,577	3,035
Amount paid during the year	-	(458)
Closing balance	**2,577**	**2,577**

(All amounts in INR thousand, unless otherwise stated)

13 Current tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for income tax (net of advance tax of: 105,537; March 31, 2023: 128,147)	1,736	4,926
Total	**1,736**	**4,926**

14 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
-Leave obligation	114	350
Total	**114**	**350**

15 Other non-financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues including provident fund and tax deducted at source	792	982
Total	**792**	**982**

(All amounts in INR thousand, unless otherwise stated)

16 Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised shares				
Equity shares of Rs. 10 each	75,000,000	750,000	75,000,000	750,000
Issued, subscribed & fully paid-up shares *				
Equity shares of Rs. 10 each	70,954,359	709,544	70,954,359	709,544
Total	**70,954,359**	**709,544**	**70,954,359**	**709,544**

* Refer Note 34

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	70,954,359	709,544	70,954,359	709,544
Capital reduction during the year	-	-	-	-
Outstanding at the end of the year	**70,954,359**	**709,544**	**70,954,359**	**709,544**

b) Terms and rights attached to equity shares

The company has one class of equity share having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. 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.

c) Shares of the Company held by the holding/ultimate holding company

Equity shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
HSBC Securities and Capital Markets (India) Private Limited (Holding Company)	38,833,167	54.73	38,833,167	54.73
HSBC Violet Investments (Mauritius) Limited (Subsidiary of the ultimate holding company, HSBC Holdings Plc)	32,113,192	45.26	32,113,192	45.26

d) Details of shareholders holding more than 5% of the shares in the Company

Equity shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
HSBC Securities and Capital Markets (India) Private Limited (Holding Company)	38,833,167	54.73	38,833,167	54.73
HSBC Violet Investments (Mauritius) Limited (Subsidiary of the ultimate holding company, HSBC Holdings Plc)	32,113,192	45.26	32,113,192	45.26

e) Shareholding of Promoters

Shares held by promoters as at March 31, 2024			**% Change during the year**
Promoter name	**No. of Shares**	**% of total shares**	
HSBC Securities and Capital Markets (India) Private Limited (Holding Company)	38,833,167	54.73	-
HSBC Violet Investments (Mauritius) Limited (Subsidiary of the ultimate holding company, HSBC Holdings Plc)	32,113,192	45.26	
Total	70,946,359	100	-

Shares held by promoters as at March 31, 2023			**% Change during the year**
Promoter name	**No. of Shares**	**% of total shares**	
HSBC Securities and Capital Markets (India) Private Limited (Holding Company)	38,833,167	54.73	-
HSBC Violet Investments (Mauritius) Limited (Subsidiary of the ultimate holding company, HSBC Holdings Plc)	32,113,192	45.26	
Total	70,946,359	100	-

(All amounts in INR thousand, unless otherwise stated)

17 Other equity

Reserves and Surplus

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Securities premium *		
Opening balance	4,431,638	5,323,051
Less: Utilized towards reduction #	-	(891,413)
Closing balance	4,431,638	4,431,638
Amalgamation Reserve		
Opening balance	43,713	43,713
Add/(Less) : Changes during the year	-	-
Closing balance	43,713	43,713
Retained Earnings**		
Opening balance	225,259	(737,164)
Add : Net profit for the period	94,502	70,972
Add: Transfer from securities premium #	-	891,413
Items of other comprehensive income recognised directly in retained earnings		
Add/(Less) : Remeasurements of post-employment benefit obligation, net of tax	(57)	38
Closing balance	319,703	225,259
Total	**4,795,054**	**4,700,610**

* Refer Note 34

** Reatined earnings includes general reserve balance.

 # Capital Restructuring (Offseting the debit balance in retained earnings with Securities Premium Account)

In the earlier years Company had applied to the National Company Law Tribunal (‘NCLT’) to offset the accumulated losses in the Retained earnings as of March 31, 2022 against the Securities Premium in accordance with section 52 read with Section 66 of the Companies Act, 2013. Company had received the NCLT order dated May 19, 2023 approving the said capital reduction. Accordingly, the management has offset the debit balance in retained earnings of INR 891,413 with balance available in Securities Premium in the financial year ended March 31, 2023.

Nature and purpose

a) Securities premium

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

b) Amalgamation reserve

Amalgamation reserve is a capital reserve which is created pursuant to amalgamation of companies. This is to be utilised in accordance with the provisions of the Companies Act, 2013.

(All amounts in INR thousand, unless otherwise stated)

18 Interest income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial assets measured at amortised costs:		
Interest on inter corporate loans	143,574	112,099
Total	**143,574**	**112,099**

19 Net gain on fair value changes

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Others		
Net Gain on financial instrument at fair value through profit or loss	5,344	9,734
Total (A)	**5,344**	**9,734**
Fair Value changes:		
Realised	583	9,449
Unrealised	4,761	285
Total (B)	**5,344**	**9,734**

20 Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Miscellaneous Income	-	335
Total	**-**	**335**

21 Employee benefits expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	7,729	14,961
Contribution to provident and other funds (Refer note 25)	352	690
Gratuity (refer note 25)	231	386
Staff welfare expenses	504	116
Total	**8,816**	**16,153**

22 Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rent [Refer note (c) below]	914	967
Rates and taxes	276	292
Repairs and maintenance		
- Others	368	331
Professional fees	4,502	4,708
Contribution for corporate social responsibility (CSR) [Refer note (b) below]	1,900	1,940
Auditors' remuneration [Refer note (a) below]	1,538	1,616
Insurance	641	152
Travelling & Conveyance	667	-
Licence and Fees	212	261
Miscellaneous expenses	75	147
Total	**11,093**	**10,414**

a) Breakup of Auditors' remuneration

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Audit fees	1,516	1,603
Out-of-pocket expenses	22	13
Total	**1,538**	**1,616**

(All amounts in INR thousand, unless otherwise stated)

b) Contribution for corporate social responsibility (CSR)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Amount required to be spent as per Section 135 of the Act	1,900	1,940
Amount spent (paid) during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	1,900	1,940
Total	**1,900**	**1,940**

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
(a) Amount required to be spent by the company during the year	1,900	1,940
(b) Amount of expenditure incurred	1,900	1,940
(c) Shortfall at the end of the year	Not Applicable	Not Applicable
(d) Total of previous years shortfall	Not Applicable	Not Applicable
(e) Reason for shortfall	Not Applicable	Not Applicable
(f) Nature of CSR activities	Refer $ below	Refer # below
(g) Details of related party transactions	Not Applicable	Not Applicable
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not Applicable	Not Applicable

$Solar energy-based solution in Municipal School at Mumbai. The activity is related to item no. iv of Schedule VII – ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

Rainwater harvesting and solar energy based solutions at urban space in Mumbai. The activities are related item no. iv of Schedule VII – ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

c) Short - term lease disclosures

The company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payment associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The company incurred INR 914 and INR 967 for the year ended March 31, 2024 and March 31, 2023 respectively towards expense relating to short-term lease.

Lease contracts entered by the company majorly pertains for office space taken on lease to conduct its business in the ordinary course by using the existing infrastructure and utilities provided in the building. The company does not have any lease restrictions and commitments towards variable rent as per the contract.

Lease contracts entered by the company majorly pertains for office space taken on lease to conduct its business in the ordinary course by using the existing infrastructure and utilities provided in the building. The company does not have any lease restrictions and commitments towards variable rent as per the contract.

Lease contracts entered by the company majorly pertains for office space taken on lease to conduct its business in the ordinary course by using the existing infrastructure and utilities provided in the building. The company does not have any lease restrictions and commitments towards variable rent as per the contract.

d) Struck - off companies

The Company did not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(All amounts in INR thousand, unless otherwise stated)

23 Income tax expense

a) The components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	32,600	25,800
Deferred tax	1,299	(693)
(Excess) / Short provision for tax of earlier years	453	(606)
Sub-total	**34,352**	**24,501**
Current tax - Other comprehensive income	(19)	13
Total	**34,333**	**24,514**

b) Reconciliation of the total tax charge

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 India's domestic tax rate for the years ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before tax	128,854	95,473
Tax at statutory income tax rate of 25.17% (previous year 25.17%)	**32,432**	**24,031**
Tax effect of the amount which are not taxable in calculating taxable income :		
- Expenses disallowed	856	923
- (Excess) / Short provision for tax of earlier years	453	(606)
- Others	592	166
Income tax expense at effective tax rate	**34,333**	**24,514**
Effective tax rate	**26.65%**	**25.68%**

c) Deferred tax

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Particulars	As at March 31, 2023	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at March 31, 2024
Deferred tax asset :				
Expenses allowable on payment basis as per section 43B of Income Tax Act, 1961	170	120	-	290
Customer claims liability	-	-	-	-
Investment Property	(90)	(120)	-	(210)
Unrealised gain on mutual funds	80	(1,280)	-	(1,200)
Net deferred tax asset	**160**	**(1,280)**	**-**	**(1,120)**

Particulars	As at March 31, 2022	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at March 31, 2023
Deferred tax asset :				
Expenses allowable on payment basis as per section 43B of Income Tax Act, 1961	380	(210)	-	170
Unrealised gain on mutual funds	-	80	-	80
Investment Property	80	(170)	-	(90)
	460	**(300)**	**-**	**160**
Deferred tax liability:				
Unrealised gain on mutual funds	(980)	(980)	-	-
	(980)	**(980)**	**-**	**-**
Net deferred tax asset/(liability)	**(520)**	**(1,280)**	**-**	**160**

(All amounts in INR thousand, unless otherwise stated)

24 Contingent liabilities and commitments (to the extent not provided for)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Commitments:		
Sanctioned amount pending request for disbursal	245,945	231,745
Contingent liabilities:		
Income Tax	46,929	46,929

Provident Fund

The Honourable Supreme Court has recently provided a judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the Management, the aforesaid matter is not likely to have a significant impact.

(All amounts in INR thousand, unless otherwise stated)

25 Employee benefit obligations

a) Defined contribution plans

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Provident fund	323	661
Others	29	29

b) Defined benefit plans

The Company has a defined benefit plan for post-employment benefits in the form of Gratuity. The Company contributes to the "Gratuity Trust". Every employee is entitled to a benefit equivalent to thirty days salary last drawn for each completed year of service. The same is payable at the time of separation from the Company or retirement whichever is earlier. The benefits vest after four years and one hundred ninety days of continuous service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2022	3,313	2,781	532
Current service cost	395	-	395
Interest expense/(income)	198	207	(9)
Total amount recognised in Profit and Loss	**593**	**207**	**386**
Return on plan assets excluding amounts included in interest expense/income	-	25	(25)
Acturial loss / (gain) arising from change in financial assumptions	(94)	-	(94)
Acturial loss / (gain) arising on account of experience changes	68	-	68
Total amount recognised in Other Comprehensive Income	**(26)**	**25**	**(51)**
Benefit paid from plan assets	(731)	(731)	-
Employer contributions	-	1,361	(1,361)
As at March 31, 2023	**3,149**	**3,643**	**(496)**
Current service cost	266	-	266
Interest expense/(income)	224	259	(35)
Total amount recognised in Profit and Loss	**490**	**259**	**231**
Return on plan assets excluding amounts included in interest expense/income	-	30	(30)
Acturial loss / (gain) arising from change in financial assumptions	26	-	26
Acturial loss / (gain) arising on account of experience changes	80	-	80
Total amount recognised in Other Comprehensive Income	**106**	**30**	**76**
Employer contributions	-	-	-
Benefit paid from plan assets	-	-	-
As at March 31, 2024	**3,745**	**3,932**	**(187)**

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of plan liabilities	3,745	3,149
Fair value of plan assets	3,932	3,643
Plan liability net of plan asset	**(187)**	**(496)**

ii) Statement of Profit and Loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Employee Benefit Expenses:		
Current service cost	266	395
Total	**266**	**395**
Finance cost	(35)	(9)
Net impact on the profit before tax	**231**	**386**
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/income	(30)	(25)
Actuarial gains/(losses) arising from changes in financial assumptions	26	(94)
Actuarial gains/(losses) arising from changes in experience	80	68
Net impact on the other comprehensive income before tax	**76**	**(51)**

iii) Defined benefit plans assets

Category of assets (% allocation)	As at March 31, 2024	As at March 31, 2023
- Insurer Managed Fund (LIC GGCA Fund Accumulation)	100%	100%
Total	**100%**	**100%**

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

(All amounts in INR thousand, unless otherwise stated)

v) Demographic assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal rate	10%	10%

vi) Sensitivity

As at March 31, 2024	Change in assumption Increase or Decrease by	Impact on defined benefit obligation	
		Increase/ (Decrease)	
Discount rate	0.50%	(130)	138
Salary escalation rate	0.50%	137	(130)
Withdrawal rate	5.00%	2	(5)

As at March 31, 2023	Change in assumption Increase or Decrease by	Impact on defined benefit obligation	
		Increase/ (Decrease)	
Discount rate	0.50%	(111)	118
Salary escalation rate	0.50%	117	(111)
Withdrawal rate	5.00%	6	(10)

The above sensitivity analyses 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) Maturity (undiscounted)

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	-	346
2nd Following Year	424	361
3rd Following Year	436	373
4th Following Year	448	385
5th Following Year	458	395
Sum of 6 to 10 Years	2,393	2,081

The weighted average duration of the defined benefit obligation is 6 years (previous year - 7 years)

viii) Risk Exposure

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

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.

(All amounts in INR thousand, unless otherwise stated)

26 Segment information

The Company is domiciled in India. The Company is a Core investment company - NBFC and is engaged in business of investing in group companies and business of financing by way of loans to group companies, which is considered to be only reportable segment (in accordance with Ind AS 108). All other activities (including investment of surplus liquidity in debt oriented mutual funds) revolve around the main business.

27 Earnings per share (EPS)

Computation of basic earnings per share is given below:

Particulars	Mar 31, 2024	Mar 31, 2023
Basic earnings per share		
Net profit after tax available for equity shareholders (A)	94,502	70,972
Weighted average number of equity shares (B)	70,954,359	70,954,359
Basic earnings per share (A/B) (Rs.)	1.33	1.00
Nominal value per share (Rs.)	10	10

The Company doesn’t have any shares which are dilutive in nature.

28 Capital management

Risk 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 meet on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, profitability and market movements.

Refer footnote to Note 17

(All amounts in INR thousand, unless otherwise stated)

29 Fair value measurement

a) Financial Instruments by Category

Particulars	As at March 31, 2024			As at March 31, 2023		
	Fair value through Profit or Loss	Amortised cost	Others*	Fair value through Profit or Loss	Amortised cost	Others*
Financial Assets:						
Cash and cash equivalents	-	803	-	-	645	-
Other bank balance		2,673			2,673	
Loans	-	1,854,055	-	-	1,868,255	-
Investments:						
- Mutual funds	145,031	-	-	26,793	-	-
Other financial assets	-	-	-	-	760	-
Total Financial Assets	**145,031**	**1,857,531**	**-**	**26,793**	**1,872,333**	**-**
Financial Liabilities:						
Trade and other payables	-	5,800	-	-	3,629	-
Other financial liabilities	-	11,767	-	-	568	-
Total Financial Liabilities	**-**	**17,567**	**-**	**-**	**4,197**	**-**

*The Company does not have any financial assets and financial liabilities, which are measured at fair value through other comprehensive income (OCI)

(All amounts in INR thousand, unless otherwise stated)

29 Fair value measurement (Contd.)

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.

The hierarchies used are as follows:
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).

Level 1: Hierarchy includes financial instruments measured using quoted prices.

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. This includes investment in mutual fund units.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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 funds	5	-	145,031	-	**145,031**
Total financial assets		**-**	**145,031**	**-**	**145,031**

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 funds	5	-	26,793	-	26,793
Total financial assets		**-**	**26,793**	**-**	**26,793**

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.

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.

The fair value of units held in Mutual Funds is determined based on NAV at the year end.

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

The fair value of these financial instruments is determined using discounted cash flow analysis and the discount rates used were adjusted for counterparty or own credit risk.

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, loans, other financial assets, trade and other payables, other financial liabilities. Such amounts have been classified as Level 3.

(All amounts in INR thousand, unless otherwise stated)

30 Financial risk management

The financial instruments held by the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company uses different methods such as sensitivity analysis to measure different types of risk to which it is exposed.

30.1 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 lending to group companies.

The Company's financial assets subject to the expected credit loss model under Ind AS 109 are cash and cash equivalents, deposits with banks, loans to group companies, investment in mutual fund and security deposits.

Loans to group companies have been considered to be 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 adequate 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. The Company does not perceive any significant decline in credit risk of the lessors where the amount of security deposit placed is material and hence expected probability of default is considered as zero.

The Company has placed investment in mutual fund. The Company does not perceive any significant decline in credit risk of the investment 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.

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
Cash and cash equivalents	803	645
Other bank balance	2,673	2,673
Loans	1,854,055	1,868,255
Security Deposits	-	760
Mutual Fund	145,031	26,793

(All amounts in INR thousand, unless otherwise stated)

30.2 Liquidity risk and funding management

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 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 as at the balance sheet date:

a) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at the year end. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The Company does not have any derivative financial liabilities.

As at March 31, 2024		**Within 12 months**			**After 12 months**			
Contractual maturities of financial assets and financial liabilities	**Carrying value**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**	**Total**
Financial assets								
Cash and cash equivalents	803	803	-	-	-	-	-	803
Other bank balance	2,673	2,673						2,673
Loans	1,854,055	35,450	35,839	70,899	1,982,997	-	-	2,125,185
Investments	3,579,490	145,031	-	-	-	-	3,434,459	3,579,490
Other financial assets	-	-	-	-	-	-	-	-
Total financial assets	**5,437,021**	**183,957**	**35,839**	**70,899**	**1,982,997**	**-**	**3,434,459**	**5,708,151**
Financial liabilities								
Trade payables	5,800	3,582	2,218	-	-	-	-	5,800
Other financial liabilities	11,767	11,463	-	304	-	-	-	11,767
Total financial liabilities	**17,567**	**15,045**	**2,218**	**304**	**-**	**-**	**-**	**17,567**

As at March 31, 2023		**Within 12 months**			**After 12 months**			
Contractual maturities of financial assets and financial liabilities	**Carrying value**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**	**Total**
Financial assets								
Cash and cash equivalents	645	645	-	-	-	-	-	645
Other bank balance	2,673	2,673						2,673
Loans	1,868,255	31,101	31,443	62,203	2,106,468	-	-	2,231,215
Investments	3,461,252	26,793	-	-	-	-	3,434,459	3,461,252
Other financial assets	760	760	-	-	-	-	-	760
Total financial assets	**5,333,585**	**61,972**	**31,443**	**62,203**	**2,106,468**	**-**	**3,434,459**	**5,696,545**
Financial liabilities								
Trade payables	3,629	891	2,123	625	-	-	-	3,639
Other financial liabilities	568	-	-	568	-	-	-	568
Total financial liabilities	**4,197**	**891**	**2,123**	**1,193**	**-**	**-**	**-**	**4,207**

(All amounts in INR thousand, unless otherwise stated)

30.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and mutual fund NAVs.

a) Interest rate risk - lending

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's main interest rate risk arises from lending with variable rates, which expose the Company to fair value interest rate risk. During March 31, 2024 and March 31, 2023, the Company's lending portfolio at variable rate are mainly denominated in Indian rupees (Rs.).

i) Interest rate risk exposure - lending

The exposure of the Company's lending portfolio to interest rate changes at the end of the reporting years are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate loans	1,854,055	1,868,255
Total	**1,854,055**	**1,868,255**

As at the end of the reporting period, the Company had the following variable rate loan (asset) outstanding:

As at March 31, 2024	Weighted average interest rate	Balance	% of total loans
Loans	8.20%	1,854,055	100%

As at March 31, 2023	Weighted average interest rate	Balance	% of total loans
Loans	6.68%	1,868,255	100%

ii) Sensitivity

Profit and loss is sensitive to higher/lower interest income from variable rate loans as a result of changes in interest rates.

Particulars	Impact on profit after tax and equity	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest rates – increase by 110 (March 31, 2023: 60) basis points	15,379	8,388
Interest rates – decrease by 110 (March 31, 2023: 60) basis points	(15,379)	(8,388)

The sensitivity is derived holding all other variables constant.

b) Interest rate risk exposure - investments in debt oriented mutual funds

The Company is exposed to interest rate risk from investments held in debt oriented mutual fund units. These funds invest in debt securities. 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	
	Year ended March 31, 2024	Year ended March 31, 2023
91 days T-bill - increase by 30 basis points	333	203
91 days T-bill - decrease by 30 basis points	(333)	(203)

c) Price risk

Since the Company does not hold any listed equity instruments, it is not exposed to price risk.

d) Foreign currency risk

The Company does not have any foreign currency exposures in respect of financial assets and financial liabilities as at the balance sheet date that will result in net currency gains or losses in the statement of profit and loss due to change foreign currency exchange rates.

(All amounts in INR thousand, unless otherwise stated)

31 Maturity analysis of financial assets and liabilities

The table below shows an analysis of financial 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	803	-	803	645	-	645
Other bank balance	2,673	-	2,673	2,673	-	2,673
Loans	-	1,854,055	1,854,055	-	1,868,255	1,868,255
Investments	145,031	3,434,459	3,579,490	26,793	3,434,459	3,461,252
Other financial assets	-	-	-	760	-	760
Total financial assets (A)	**148,507**	**5,288,514**	**5,437,021**	**30,871**	**5,302,714**	**5,333,585**
Non-financial assets						
Current tax assets (Net)	-	84,605	84,605	-	84,239	84,239
Deferred tax assets (Net)	-	-	-	-	160	160
Investment property	-	3,401	3,401	-	3,556	3,556
Other non-financial assets	900	-	900	1,645	-	1,645
Total Non-financial assets (B)	**900**	**88,006**	**88,906**	**1,645**	**87,955**	**89,600**
Total assets (C = A+B)	**149,407**	**5,376,520**	**5,525,927**	**32,516**	**5,390,669**	**5,423,185**
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,800	-	5,800	3,629	-	3,629
Other financial liabilities	11,767	-	11,767	568	-	568
Total financial liabilities (D)	**17,567**	**-**	**17,567**	**4,197**	**-**	**4,197**
Non-financial Liabilities						
Current tax liabilities (Net)	1,736	-	1,736	4,926	-	4,926
Provisions	114	-	114	350	-	350
Deferred tax liabilities (Net)	1,120	-	1,120	-	-	-
Other non-financial liabilities	792	-	792	3,559	-	3,559
Total Non-financial liabilities (E)	**3,762**	**-**	**3,762**	**8,835**	**-**	**8,835**
Total liabilites (F = D+E)	**21,329**	**-**	**21,329**	**13,032**	**-**	**13,032**

(All amounts in INR thousand, unless otherwise stated)

32 Related party transactions

(a) Name of related Parties and nature of relationship.

1. Holding Company
HSBC Securities and Capital Markets (India) Private Limited

2. Subsidiaries
HSBC InvestDirect Sales & Marketing (India) Limited
HSBC InvestDirect Financial Services (India) Limited

3. Associate
HSBC InvestDirect Securities (India) Private Limited

4. Ultimate Holding Company
HSBC Holdings Plc

5. Post Employement Benfit Plan (PEBP)
HSBC Investdirect (India) Limited. Employee Gratuity Trust

6. Fellow Subsidiaries/ Enterprises managed by subsidiaries
HSBC Violet Investments (Mauritius) Limited
HSBC Asset Management (India) Private Limited
HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)
The Hongkong and Shanghai Banking Corporation Limited - India Branches Limited
HSBC Group Management Services Limited
HSBC Global Services Limited

(b) Key Managerial Personnel (KMP) :
Mr. Brij Bhushan - Director (appointed w.e.f. August 24, 2021)*
Ms. Roopa Varma - Director (appointed w.e.f. November 22, 2022)*
Mr. Berlin Varghese - Director (appointed w.e.f. April 17, 2023)*

***There are no transactions with KMP during the year.**

(c) Transactions during the year with related parties:

Particulars	Subsidiaries	Associate	KMP	PEBP	Holding Company	Fellow Subsidiaries/ Enterprises managed by subsidiaries
Interest income on loans	141,998 (110,784)	1,576 (1,315)	- -	- -	- -	- -
Rent	- -	- -	- -	- -	- -	914 (967)
Professional fees	- -	- -	- -	- -	626 (859)	132 (4)
Loans disbursed	- -	5,800 (1,750)	- -	- -	- -	- (230,000)
Loans recovered	- -	20,000 -	- -	- -	- -	- -
Miscellaneous exp	- -	- -	- -	- -	- -	4 (34)
Repairs and Maintenance	- -	- -	- -	- -	- -	- (20)
Short-term employee benefits	- -	- -	- (8,531)	- -	- -	- -
Security deposit refunded	- -	- -	- -	- -	- -	760 -
Contribution to gratuity trust	- -	- -	- -	231 (386)	- -	- -

Amounts in brackets represents amount relating to previous year

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

Particulars	Subsidiaries	Associate	PEBP	Holding Company	Fellow Subsidiaries/ Enterprises managed by subsidaries
Bank balance					
31-Mar-24	-	-	-	-	2,899
31-Mar-23	-	-	-	-	(3,153)
Loans					
31-Mar-24	1,850,000	4,055	-	-	-
31-Mar-23	(1,850,000)	(18,255)	-	-	-
Security Deposit					
31-Mar-24	-	-	-	-	-
31-Mar-23	-	-	-	-	(760)
Other payables					
31-Mar-24	8886	-	-	-	-
31-Mar-23	-	-	-	-	-
Gratuity Receivable					
31-Mar-24	-	-	187	-	-
31-Mar-23	-	-	(1,227)	-	-
Trade Payable					
31-Mar-24	-	-	-	199	145
31-Mar-23	-	-	-	(321)	(208)

33 Capital reduction

(a) Capital reduction

The Board of Directors had at their meeting held on 27 June 2018 approved the capital reduction that was approved by the shareholders at their adjourned Annual General Meeting held on 24 September 2018.

The Honorable National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated 22 October 2019, received by the Company on 11 December 2019 had approved the capital reduction. All the necessary filings were completed during the financial year 2019-20 and the payment to the shareholder was initiated in the financial year 2020-21 after receiving all approvals.

The Company has paid consideration to shareholders through electronic mode whose bank account details were available with the Company and dispatched pay orders at the latest address available with the Company for other shareholders whose bank accounts details were not updated in the records of the Company.

(b) Transfer of equity shares to Investor Education and Protection Fund Authority

The Company had received a show cause notice in May 2019 from Investor Education and Protection Fund (IEPF) Authority in relation to non-transfer of shares by the Company with respect to unclaimed dividends which were transferred by the Company to IEPF before 7 September 2016, the date of notification with respect to transfer of shares to IEPF Demat account.

In view of same, the equity shares on which the dividend for the financial year 2007-08 was unpaid/unclaimed has been transferred to IEPF authority during the financial year 2019-20. Further, the amount pertaining to capital reduction on the said shares will also be transferred to IEPF authority.

The Company made all the necessary communications including corporate action forms to National Securities Depository Limited (“NSDL”) for debiting the equity shares held by Investor Education and Protection Fund Authority (“IEPF”). However, as informed by NSDL the said corporate action effect can be given only after receiving approval from Investor Education and Protection Fund Authority, which is awaited.

34 Utilisation of Borrowed funds and securities premium

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B.The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35 Core Investment Company (CIC) as part of group companies

HSBC InvestDirect (India) Private Limited (the “Company”) was incorporated on September 1, 1997. The principal activity of the Company is investing in and providing loans to its subsidiaries, associates and employees' welfare trusts. As at 31 March 2024, the Company has investments in two subsidiary companies and one associate company.

As per Regulatory Framework issued by Reserve Bank India (“RBI”) from time to time for Core Investment Companies (“CICs”) the Company has an asset size of more than INR 100 crore, however has no access to public funds and consequently does not require registration with RBI.

There are no other CICs, apart from the Company within the group.

36 Financial Ratios

Considering the Company is a non registered CIC, the financial ratios as prescribed under Division III of Schedule III off Companies Act, 2013, are not applicable to the Company.

37 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/-
Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
June 13, 2024

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

Sd/-
Berlin Varghese
Managing Director
(DIN 10059070)

Sd/-
Roopa Varma
Additional Director
DIN: 09779388

Sd/-
Sneha Doshi
Company Secretary
M.No. ACS 18001

Sd/-
Sunita Sarda
Chief Financial Officer
M.No. 128484

Mumbai
June 13, 2024