

Independent Auditor's Report

To the Members of HSBC InvestDirect Sales & Marketing (India) Limited

Report on the Audit of the Financial statements

Opinion

1. We have audited the accompanying financial statements of HSBC InvestDirect Sales & Marketing (India) 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.

Emphasis of Matter

4. We draw your attention to Note 2(i) to the financial statements, regarding preparation of financial statements on realisable value basis, pursuant to management decision to discontinue the operations of the company in view of reasons stated herein.

Our opinion is not modified in respect of this matter.

Other Information

5. 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

6. 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

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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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. 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

8. 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.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
 - 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.
10. 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

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC InvestDirect Sales & Marketing (India) Limited
Report on audit of the Financial Statements
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12. 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 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(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 14 (c) to the financial statements.
 - ii. The Company did not have any long-term contracts including 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 22 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 22 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

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To the Members of HSBC InvestDirect Sales & Marketing (India) Limited
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- 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 one accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility. In respect of said 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. 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 24 to the standalone financial statements)
13. During the year ended March 31, 2024, the Company has not paid / provided any managerial remuneration under the provision of 197 read with Schedule V to the Act accordingly the reporting under section 197(16) 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: 24117607BKFQUY4738
Mumbai
June 13, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of HSBC InvestDirect Sales & Marketing (India) Limited on the financial statements for the year ended March 31, 2024
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Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of HSBC InvestDirect Sales & Marketing (India) Limited on the financial statements for the year ended March 31, 2024
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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.(Also refer paragraph 4 of the main audit report)

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

Sd/-
Ritesh Dedhia
Partner
Membership Number: 117607
UDIN: 24117607BKFQUY4738

Mumbai
June 13, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC InvestDirect Sales & Marketing(India) Limited on the financial statements as of and for the year ended March 31, 2024
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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) The Company does not hold any Property, Plant and Equipment, Immovable Property and Intangible Assets and accordingly provision of clause 3(i)(a), (i)(b), (i)(c), (i)(d), and (i)(e) of the Order are not applicable to the Company.
- 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 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. The Company has not made any investments, granted secured/unsecured loans, loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order is 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 to the extent notified.
- 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, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, income tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(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 balance sheet date which have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (Rs in 000)	Period to which the amounts relates	Forum where the dispute is pending
Gujarat Value Added Tax	VAT	Rs. 1,877	2006-2007	Gujarat Value Added Tax Tribunal, Ahmedabad

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- 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.

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC InvestDirect Sales & Marketing (India) Limited on the financial statements as of and for the year ended March 31, 2024

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- (b) According to the information and explanations given to us and 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) According to the records of the company examined by us and information and explanations given to us, 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) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (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.

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC InvestDirect Sales & Marketing (India) Limited on the financial statements as of and for the year ended March 31, 2024

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- xiii. The Company is a public company as defined under 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) The Company is not mandated to have an internal audit system during the year.
- (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 not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group as detailed in note 21 of the financial statements. 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) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 19 to the financial statements), 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) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC InvestDirect Sales & Marketing (India) Limited on the financial statements as of and for the year ended March 31, 2024

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- (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 : 24117607BKFQUY4738

Mumbai

June 13, 2024

HSBC InvestDirect Sales & Marketing (India) Limited
Balance Sheet as at March 31, 2024

(All amounts in INR thousands, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Current tax assets (Net)	3	12,101	12,125
Total non-current assets		12,101	12,125
Current assets			
Financial assets			
(i) Cash and cash equivalents	4	1,588	592
(ii) Bank balance other than (i) above (Note 4)	5	20,911	21,287
Other current assets	6	210	210
Total current assets		22,709	22,089
Total assets		34,810	34,214
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	7	1,000	1,000
Other equity	8	31,359	31,008
Total equity		32,359	32,008
LIABILITIES			
Current liabilities			
Financial liabilities			
(i) Trade payables	9		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		533	299
Provisions	10	1,877	1,877
Other current liabilities	11	41	30
Total current liabilities		2,451	2,206
Total liabilities and equity		34,810	34,214

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

For and on behalf of the Board of Directors of
HSBC InvestDirect Sales & Marketing (India) Limited

Sd/-
Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
June 13, 2024

Sd/-
Berlin Varghese
Chairperson
(DIN: 10059070)

Mumbai
June 13, 2024

Sd/-
Roopa Varma
Director
(DIN: 09779388)

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

(All amounts in INR thousands, unless otherwise stated)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Other income	12	1,133	723
Total income		1,133	723
Expenses			
Others expenses	13	664	434
Total expenses		664	434
Profit before tax		469	289
Income tax expense:			
- Current tax	14	120	73
- (Excess) provision for tax for earlier years	14	(2)	(473)
Total tax expense		118	(400)
Profit for the year		351	689
Other comprehensive income for the year		-	-
Total comprehensive income for the year		351	689
Earnings per equity share (Nominal value of Rs. 10 per share)			
- Basic (Rs.)	15	3.51	6.89

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

For and on behalf of the Board of Directors of
HSBC InvestDirect Sales & Marketing (India)

Sd/-
Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
June 13, 2024

Sd/-
Berlin Varghese
Chairperson
(DIN: 10059070)

Sd/-
Roopa Varma
Director
(DIN: 09779388)

Mumbai
June 13, 2024

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

(All amounts in INR thousands, 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
1,000	-	-	-	1,000

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
1,000	-	-	-	1,000

B. Other equity

1) For the year ended March 31, 2024

	Reserves and surplus
	Retained earnings
As at April 1, 2023	31,008
Total Income for the year	351
As at March 31, 2024	31,359

2) For the year ended March 31, 2023

	Reserves and surplus
	Retained earnings
As at April 1, 2022	30,319
Total Income for the year	689
As at March 31, 2023	31,008

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

For and on behalf of the Board of Directors of

HSBC InvestDirect Sales & Marketing (India) Limited

Sd/-

Ritesh Dedhia

Partner

Membership No: 117607

Mumbai

June 13, 2024

Sd/-

Berlin Varghese

Chairperson

(DIN: 10059070)

Mumbai

June 13, 2024

Sd/-

Roopa Varma

Director

(DIN: 09779388)

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

(All amounts in INR thousands, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax:	469	289
Adjustments :		
Expected credit loss	(16)	-
Interest on bank deposits	(1,132)	(714)
Operating profit before working capital changes	(679)	(425)
Adjustments for working capital changes:		
Increase in trade payables	234	58
Increase in other current liabilities	11	7
Cash generated from operations	(434)	(360)
Less : Income taxes paid (net of refunds)	(93)	(25)
Net cash (outflow) from operating activities	(527)	(385)
CASH FLOW FROM INVESTING ACTIVITIES :		
Investment in bank deposits	(63,001)	(63,010)
Redemption of bank deposits	63,001	62,910
Interest received on bank deposits	1,523	597
Net cash inflow from investing activities	1,523	497
CASH FLOW FROM FINANCING ACTIVITIES :	-	-
Net cash inflow / (outflow) from financing activities	-	-
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	996	112
Add : Cash and cash equivalents at beginning of the year	592	480
Cash and cash equivalents at end of the year	1,588	592

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	1,588	592
Balances as per statement of cash flows	1,588	592

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

For and on behalf of the Board of Directors of

HSBC InvestDirect Sales & Marketing (India) Limited

Sd/-

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June 13, 2024

Sd/-

Roopa Varma

Director

(DIN: 09779388)

1 Background

HSBC InvestDirect Sales & Marketing (India) Limited ("the Company") was incorporated on November 3, 2004.

The Company was earlier engaged in business of distribution and marketing of home loan products, life and non-life insurance products. The Company has discontinued its' business operations from July 1, 2012.

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.

The Company has discontinued its business operations in the earlier years and there are no definitive business plans in foreseeable future. Accordingly, the financial statements of the Company have not been prepared under the going concern assumption and all assets and liabilities have been classified based on Management's assessment at their realisable values. Further, in the opinion of the Management, no further adjustment is considered necessary to the carrying value of assets and liabilities as at balance sheet date as these have been reflected at their estimated realizable values.

The Company has classified its assets and liabilities into current and non-current considering its realisability and settlement within 12 months from year-end.

(ii) Income recognition

Interest income is measured by applying the effective interest rate (EIR) to the gross carrying amount of financial assets.

(iii) 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 for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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.

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.

(iv) 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.

(v) 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.

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.

(vi) 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.

(b) 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) New Standards / Amendments 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 existing 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 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. The Company does not expect this amendment to have any significant impact in its financial statements.

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.

(viii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands 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.

The preparation of financial statement does not involve estimate which are subjective or involve judgements.

2C Summary of other accounting policies

(i) Income Tax:

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.

(ii) 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 unless payment is not due within 12 months after the reporting period.

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

(All amounts in INR thousands, unless otherwise stated)

3 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 3,417; March 31 2023: 3,286)	12,101	12,125
Total	12,101	12,125

4 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in current accounts	1,588	592
Total	1,588	592

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

5 Bank balance other than cash and cash equivalents above

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with maturity more than 3 months but less than 12 months*	20,911	21,287
Other bank deposits under lien#	736	751
Expected credit loss	(736)	(751)
	-	-
Total	20,911	21,287

* Includes accrued Interest on deposit with bank for March 31, 2024: 11; March 31, 2023: 387

Lien in favour of VAT authorities. Includes accrued Interest on deposit with bank for March 31, 2024: 204; March 31, 2023: 190

6 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with VAT authorities	200	200
Other Security Deposit	10	10
Total	210	210

(All amounts in INR thousands, unless otherwise stated)

7 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	22,010,000	220,100	22,010,000	220,100
Issued, subscribed & fully paid-up shares				
Equity shares of Rs. 10 each	100,000	1,000	100,000	1,000
Total	100,000	1,000	100,000	1,000

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	100,000	1,000	100,000	1,000
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	100,000	1,000	100,000	1,000

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 company

Equity shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
HSBC InvestDirect (India) Private Limited	99,000	99%	99,000	99%

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 InvestDirect (India) Private Limited	99,000	99%	99,000	99%

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 InvestDirect (India) Private Limited	99,000	99	-
Total	99,000	99	-

Shares held by promoters as at March 31, 2023			% Change during the year
Promoter name	No. of Shares	% of total shares	
HSBC InvestDirect (India) Private Limited	99,000	99	-
Total	99,000	99	-

For the Company's capital management policy, refer Note 16.

8 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening balance	31,008	30,319
Add : Net profit for the year	351	689
Closing balance	31,359	31,008
Total	31,359	31,008

(All amounts in INR thousands, unless otherwise stated)

9 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Total outstanding dues of micro enterprises and small	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	533	299
Total	533	299

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	-	-
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	533	-	-	-	-	533
(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	299	-	-	-	-	299
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

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

(All amounts in INR thousands, unless otherwise stated)

10 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for VAT assessments *	1,877	1,877
Total	1,877	1,877

* This provision is towards certain VAT related matters contested by the Company where the outflow is considered as probable by the management. The timing and outflow will depend on ultimate outcome of the judgement by authorities on these matters. Additionally, the Company has paid 200 (March 31, 2023: 200) under protest.

11 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues including tax deducted at source	41	30
Total	41	30

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

(All amounts in INR thousands, unless otherwise stated)

12 Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on deposits with banks	1,132	714
Interest on income tax refund	1	7
Miscellaneous Income	-	2
Total	1,133	723

13 Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rates and taxes	34	30
Professional fees	437	237
Auditors' remuneration [refer note (a) below]	191	165
Miscellaneous expenses	2	2
Total	664	434

a) Breakup of Auditors' remuneration

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Audit fees	191	165
Total	191	165

b) 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 thousands, unless otherwise stated)

14 Income tax

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	120	73
(Excess)/short provision for tax	(2)	(473)
Total	118	(400)

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 India 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	469	289
Tax at India's statutory income tax rate of 25.17% (previous year 25.17%)	118	73
- (Excess) provision for tax of earlier years	(2)	(473)
- Other	2	-
Income tax expense at effective tax rate	118	(400)
Effective tax rate	25%	(138%)

c) Contingent liabilities

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Claims not acknowledged as debts in respect of:		
Income Tax	3,890	3,890
Total	3,890	3,890

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

(All amounts in INR thousands, unless otherwise stated)

15 Earnings per share (EPS)

Computation of basic earnings per share is given below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Basic earnings per share		
Net profit after tax available for equity shareholders (A) (Rs. In thousands)	351	689
Weighted average number of equity shares (B)	100,000	100,000
Basic & Diluted earnings per share (A/B)	3.51	6.89
Nominal value per share	10	10

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

16 Capital management

Risk management

For the purpose of the Company's Capital Risk Management, "Capital" includes equity capital, and all other equity reserves attributable to the shareholders.

The management of the Company's capital position is undertaken by the Board of Directors (BOD) of the company. The BOD ensures that the Company is adequately capitalised to meet its obligations, when due.

17 Fair value measurement

a) Financial Instruments by Category

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Amortised cost	Amortised cost
Financial Assets:		
(i) Cash and cash equivalents	1,588	592
(ii) Bank balance other than (i) above	20,911	21,287
Total Financial Assets	22,499	21,879
Financial Liabilities:		
Trade and other payables	533	299
Total Financial Liabilities	533	299

The Company does not have any financial assets and financial liabilities, which are measured at fair value.

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

The carrying amounts of cash and bank balances, trade and other payables are considered to be same as their fair value due to their short term nature.

(All amounts in INR thousands, unless otherwise stated)

18 Financial risk management

18.1 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. The Company believes that current cash and bank balances and bank deposits are sufficient to meet liquidity requirements since the Company has no external borrowings and is not engaged in any business actively. Accordingly, liquidity risk is not applicable.

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 financial 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

Contractual maturities of financial assets and financial liabilities	Carrying value	Within 12 months			After 12 months		Total
		Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	
Financial assets							
Cash and cash equivalents	1,588	1,588	-	-	-	-	1,588
Bank balance other than cash and cash equivalents above	20,911	483	21,459	-	283	-	22,225
Total financial assets	22,499	2,071	21,459	-	283	-	23,813
Financial liabilities							
Trade payables	533	309	224	-	-	-	533
Total financial liabilities	533	309	224	-	-	-	533

As at March 31, 2023

Contractual maturities of financial assets and financial liabilities	Carrying value	Within 12 months			After 12 months		Total
		Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	
Financial assets							
Cash and cash equivalents	592	592	-	-	-	-	592
Bank balance other than cash and cash equivalents above	21,287	21,274	-	-	-	819	22,093
Total financial assets	21,879	21,866	-	-	-	819	22,685
Financial liabilities							
Trade payables	299	178	102	19	-	-	299
Total financial liabilities	299	178	102	19	-	-	299

18.2 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.

The Company's financial assets are Cash and cash equivalents, bank deposits which are held with only high rated banks/financial institutions and therefore credit risk on them is perceived to be low.

18.3 Interest rate risk

The company invests in term deposit from a period ranging from 3 months to 1 year. The investment is primarily in fixed rate bearing investment. Hence, the company is not significantly exposed to interest rate risk.

19 Analytical ratios

S.No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
1	Current Ratio	Current assets	Current liabilities	9.27	10.01	-7.47%	Decrease due to reduction of deposits
2	Debt-Equity Ratio	Total debt	Shareholders' equity	NIL	NIL	NIL	NIL
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	NIL	NIL	NIL	NIL
4	Return on Equity Ratio	Net profits after taxes	Average shareholders' equity	0.01	0.02	-45.47%	Decrease in profit after tax for the year due to reversals of excess tax provision of earlier years in previous year
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Trade Receivables turnover ratio	Net credit sales	Average account receivable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7	Trade payables turnover ratio	Net Credit purchases	Average trade payables	Not Applicable	Not Applicable	Not Applicable	Not Applicable
8	Net capital turnover ratio	Net Sales	Working capital	Not Applicable	Not Applicable	Not Applicable	Not Applicable
9	Net profit ratio	Net profit	Net Sales	Not Applicable	Not Applicable	Not Applicable	Not Applicable
10	Return on Capital employed	Earnings before interest and taxes	Capital employed	0.01	0.01	44.94%	Increase in income for the year
11	Return on investment	Income generated from Investments	Average Investments	NIL	NIL	NIL	NIL

* Below rounding off conversion

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

(All amounts in INR thousands, unless otherwise stated)

20 Related party transactions

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

1. Holding Company

HSBC InvestDirect (India) Private Limited

2. Ultimate Holding Company

HSBC Holdings Plc

3. Intermediate holding company

HSBC Securities and Capital Markets (India) Private Limited

4. Fellow Subsidiaries

The Hongkong and Shanghai Banking Corporation Limited - India Branches

(b) Key Managerial Personnel*:

Ms. Roopa Varma - Director (Non- Executive) (appointed w.e.f. November 11, 2022)

Mr. Berlin Varghese - Chairperson (Non- Executive)) (appointed w.e.f. March 17, 2023)

Mr. Brij Bhushan - Director (Non-Executive) (appointed w.e.f. August 24, 2021)

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

(c) Transactions during the year with related parties:

Transactions	Fellow Subsidiary
Income :	
Interest on bank deposits	1,116 (685)
Fixed deposits placement	62,700 (62,700)
Fixed deposits redemption	62,700 (62,600)

Amounts in brackets represents amount relating to previous year

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

Balances		Fellow Subsidiary
Bank balance		
	31-Mar-24	981
	31-Mar-23	429
Balance with bank in bank deposits		
	31-Mar-24	20,911
	31-Mar-23	21,287

(All amounts in INR thousands, unless otherwise stated)

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

The Company is wholly owned subsidiary of HSBC InvestDirect (India) Private Limited (HIDL). HIDL was incorporated on September 1, 1997 and the principal activity of HIDL is investing in and providing loans to subsidiaries, associates and employees' welfare trusts. 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, except HIDL within the group.

22 Utilisation of Borrowed funds and share 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.

23 Members at their Extraordinary General Meeting held on 8 May 2024, subject to approval of Government of India, Regional Director, Registrar of Companies, and such other appropriate statutory authorities/departments, had approved conversion from public company to private company as the Company is closely held by HSBC Group with less than 200 Members and the current operations does not mandate the Company to remain Public Limited.

The Company is in the process of executing and submitting necessary documents to the aforesaid authorities as required under the applicable Act and Rules

24 As per the definition of MCA, the Company has identified one application which meet the definition of books of accounts. The application has a feature of recording audit trail (edit log) facility. This has operated throughout the year for all transactions recorded in the application.

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 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.

In terms of our report for even date.

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No: 012754N/N500016

For and on behalf of the Board of Directors of
HSBC InvestDirect Sales & Marketing (India) Limited

Sd/-
Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
June 13, 2024

Sd/-
Berlin Varghese
Chairperson
(DIN: 10059070)

Mumbai
June 13, 2024

Sd/-
Roopa Varma
Director
(DIN: 09779388)