

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of HSBC InvestDirect Securities (India) Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of HSBC InvestDirect Securities (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 a summary of significant accounting policies 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, 2023, and total comprehensive income (comprising of loss 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.

Price Waterhouse Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park, Nesco Complex, Gate No. 8
Western Express Highway, Goregaon East, Mumbai – 400 063
T: +91 (22) 61198000, F: +91 (22) 61198799

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC InvestDirect Securities (India) Private Limited
Report on Audit of the Financial Statements
Page 2 of 5

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 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.
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.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC InvestDirect Securities (India) Private Limited
Report on Audit of the Financial Statements
Page 3 of 5

- 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.
 - 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 A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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.
 - (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.
 - (d) In our opinion, the aforesaid standalone 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC InvestDirect Securities (India) Private Limited
Report on Audit of the Financial Statements
Page 4 of 5

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2023
- iii. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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 (Refer Note 26 to the financial statements);
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any 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 (Refer Note 26 to the financial statements); 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.
- iv. The Company has not declared or paid any dividend during the year.
- v. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC InvestDirect Securities (India) Private Limited
Report on Audit of the Financial Statements
Page 5 of 5

13. 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

Ritesh M Dedhia
Partner
Membership Number 117607

UDIN: 23117607BGYYJT5275
Mumbai
July 6, 2023

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC InvestDirect Securities (India) Private Limited on the financial statements as of and for the year ended March 31, 2023

Page 1 of 4

- 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 said 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. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions 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/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 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 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 products of 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, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- 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) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(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.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC InvestDirect Securities (India) Private Limited on the financial statements as of and for the year ended March 31, 2023
Page 2 of 4

- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 9 to the financial statements)
- (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, we report that no funds raised on short-term basis have been used for long-term purposes by 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.
- (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.
- x (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, 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 does not have any transaction with related parties under the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24,



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC InvestDirect Securities (India) Private Limited on the financial statements as of and for the year ended March 31, 2023

Page 3 of 4

Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are 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. 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 has one CICs as part of the Group as detailed in note 25 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii The Company has incurred cash losses of Rs. 2,822 thousand in the financial year and Rs. 3249 thousand 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 (xviii) is not applicable.
- xix According to the information and explanations given to us (Also refer Note 27 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 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.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC InvestDirect Securities (India) Private Limited on the financial statements as of and for the year ended March 31, 2023

Page 4 of 4

-
- 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.
- xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of 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



.....
Ritesh M Dedhia

Partner

Membership Number 117607

UDIN: 23117607BGYYJT5275

Mumbai

July 6, 2023

HSBC InvestDirect Securities (India) Private Limited
Balance sheet as at March 31, 2023

(All amounts in INR thousands, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	3	14,516	5,923
Bank balance other than cash and cash equivalents above	4	2,559	2,558
Investments	5	4,760	4,137
Other financial assets	6	54,183	52,861
Non-financial assets			
Current tax assets (Net)	7	87,558	88,223
Total assets		163,576	153,702
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	8		
(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		1,420	1,510
Borrowings	9	18,255	16,505
Other Financial Liabilities	10	68	71
Non-financial Liabilities			
Current tax liabilities (Net)	11	-	593
Other non-financial liabilities	12	16,545	5,332
EQUITY			
Equity share capital	13	1,745,112	1,745,112
Other equity	14	(1,617,824)	(1,615,421)
Total equity		127,288	129,691
Total liabilities and equity		163,576	153,702

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 Securities (India) Private Limited


Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
July 06, 2023


Berlin Varghese
Additional Director
(DIN 10059070)

Mumbai
July 06, 2023


Vikas Khandelia
Additional Director
(DIN 10061454)


Saurabh Gupta
Company Secretary
(M. No. ACS 44440)

HSBC InvestDirect Securities (India) Private Limited
Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in INR thousands, unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Other income	15	1,846	129
Total income		1,846	129
Expenses			
Finance costs	16	1,536	1,076
Other expenses	17	3,132	2,302
Total expenses		4,668	3,378
Loss before tax		(2,822)	(3,249)
Income tax expense:	18		
- Short provision for tax		204	265
Total tax expense		204	265
Loss for the year		(3,026)	(3,514)
Other comprehensive income			
i) Items that will not be reclassified to profit or loss			
- Changes in the fair value of equity investments at FVOCI *		623	(1,543)
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year	-	623	(1,543)
Total comprehensive income for the year	-	(2,403)	(5,557)
Earnings per equity share (Nominal value of Rs. 10 per share)			
- Basic (Rs.)	19	(0.02)	(0.02)
- Diluted (Rs.)	19	(0.02)	(0.02)


* There is no deferred tax impact on these fair value changes

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 Securities (India) Private Limited


Ritesh Dedhia
Partner
Membership No: 117607


Berlin Varghese
Additional Director
(DIN 10059070)


Vikas Khandelwa
Additional Director
(DIN 10061454)


Saurabh Gupta
Company Secretary
(M. No. ACS 44440)

Mumbai
July 06, 2023

Mumbai
July 06, 2023

HSBC InvestDirect Securities (India) Private Limited
Statement of Changes in Equity as at March 31, 2023

(All amounts in INR thousands, unless otherwise stated)

A. Equity share capital

1) For the year ended March 31, 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period	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
174,511,249	-	-	-	174,511,249

2) For the year ended March 31, 2022

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
174,511,249	-	-	-	174,511,249

B. Other equity

1) For the year ended March 31, 2023

	Reserves and surplus			Total
	Securities Premium	Retained earnings	Equity Instruments through Other Comprehensive Income	
As at April 1, 2022	2,058,887	(3,677,857)	3,549	(1,615,421)
Changes in Fair Value of Equity Instruments through Other Comprehensive Income	-	-	623	623
Total Loss for the current year	-	(3,026)	-	(3,026)
As at March 31, 2023	2,058,887	(3,680,883)	4,172	(1,617,824)

2) For the year ended March 31, 2022

	Reserves and surplus			Total
	Securities Premium	Retained earnings	Equity Instruments through Other Comprehensive Income	
As at April 1, 2021	2,058,887	(3,674,343)	5,092	(1,610,364)
Changes in Fair Value of Equity Instruments through Other Comprehensive Income	-	-	(1,543)	(1,543)
Total Loss for the current year	-	(3,514)	-	(3,514)
As at March 31, 2022	2,058,887	(3,677,857)	3,549	(1,615,421)

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

Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
July 06, 2023

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

Berlin Varghese
Additional Director
(DIN 10059070)

Mumbai
July 06, 2023

Vikas Khandelia
Additional Director
(DIN 10061454)

Saurabh Gupta
Company Secretary
(M. No. ACS 44440)

HSBC InvestDirect Securities (India) Private Limited
Statement of Cash Flows for the year ended March 31, 2023

(All amounts in INR thousands, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax:	(2,822)	(3,249)
Adjustments :		
Finance costs	1,536	1,076
Interest on bank deposits	(130)	(125)
Operating profit before working capital changes	(1,416)	(2,298)
Adjustments for working capital changes:		
(Increase) in other financial assets	(1,322)	(300)
(Increase)/ decrease in trade payables	(90)	1,085
(Decrease) in other Financial Liabilities	(3)	(50)
Increase in other financial liabilities	11,213	447
Cash generated from operations	8,382	(1,116)
Less : Income taxes paid (net of refunds)	(132)	(132)
Net cash inflow / (outflow) from operating activities	8,250	(1,248)
CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received on bank deposits	129	126
Net cash inflow / (outflow) from investing activities	129	126
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from borrowings	1,750	2,550
Interest paid	(1,536)	(1,076)
Net cash inflow / (outflow) from financing activities	214	1,474
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	8,593	352
Add : Cash and cash equivalents at beginning of the year	5,923	5,571
Cash and cash equivalents at end of the year	14,516	5,923

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, 2023	As at March 31, 2022
Cash and cash equivalents	293	228
Earmarked for unclaimed balances	14,223	5,695
Balances as per statement of cash flows	14,516	5,923

Note:

i) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented. Refer note 9.

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	293	228
Bank balance other than cash and cash equivalents	322	2,558
Borrowings	(18,255)	(16,505)
Net debt	(17,640)	(13,719)

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

Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
July 06, 2023

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

Berlin Varghese
Additional Director
(DIN 08054929)

Mumbai
July 06, 2023

Vikas Khandelia
Additional Director
(DIN 09130324)

Saurabh Gupta
Company Secretary
(M. No. ACS 44440)

1 Background

HSBC InvestDirect Securities (India) Private Limited ('the Company') was incorporated on February 23, 2006. The Company is a Stock Broker, registered with Securities and Exchange Board of India ('SEBI') as trading and clearing member both in the Cash and F&O segment for BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). Currently, the licenses are inactive as the Company discontinued business activities in Dec 2013.

2 Significant accounting policies

This note provides a list of the significant 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.

Presentation

The Company presents its financial statements in accordance with Division III of Schedule III to the Companies Act, 2013.

(ii) 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 or 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. Impairment losses are presented as separate line item in the statement of profit and loss and presented in other gains/(losses).

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



Dividends

Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

(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.

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 substantively 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.

(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. Bank overdrafts are shown within borrowings in financial liabilities in the balance sheet.

(v) Finance Costs:

Finance costs are calculated by applying the effective interest rate to the gross carrying amount of a financial liability.

(vi) 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.

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.

(vii) 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.

(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.



(xi) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in profit or loss as other gains/(losses).

(x) **Recent Accounting Pronouncements**

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. The Company does not expect this amendment to have any significant impact in its 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. The Company does not expect this amendment to have any significant impact in its financial statements.



HSBC InvestDirect Securities (India) Private Limited
Notes to financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR thousands, unless otherwise stated)

3 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts#	14,516	5,923
Total	14,516	5,923

Includes INR 14,223 in FY 22-23 (INR 5,695 in FY 21-22) earmarked for unclaimed balances

4 Bank balance other than cash and cash equivalents above

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with maturity more than 3 months but less than 12 months*#	2,559	2,558
Total	2,559	2,558

* Includes accrued Interest on deposit with bank for March 31, 2023: 59; March 31, 2022: 58

Includes INR 2,237 earmarked for unclaimed balances in FY 22-23 (NIL in FY 21-22).

5 Investments

Particulars	Fair value through Other comprehensive income	Total
As at March 31, 2022		
Equity instruments - others	4,137	4,137
Total (A) - Gross	4,137	4,137
Investments outside India	-	-
Investments in India	4,137	4,137
Total (B) - Gross	4,137	4,137
Total - Gross	4,137	4,137
(Less): Impairment loss allowance (C)	-	-
Total (D) - Net	4,137	4,137
As at March 31, 2023		
Equity instruments - others	4,760	4,760
Total (A) - Gross	4,760	4,760
Investments outside India	-	-
Investments in India	4,760	4,760
Total (B) - Gross	4,760	4,760
Total - Gross	4,760	4,760
(Less): Impairment loss allowance (C)	-	-
Total (D) - Net	4,760	4,760



HSBC InvestDirect Securities (India) Private Limited

Notes to financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR thousands, unless otherwise stated)

6 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with stock exchange	47,700	47,700
Amount receivable from Gratuity Trust Fund	6,483	5,161
Total	54,183	52,861

7 Current tax assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax and Tax deducted at source (net of provision for tax of 44,099; March 31 2022: 62,199)	87,558	88,223
Total	87,558	88,223



HSBC InvestDirect Securities (India) Private Limited
Notes to financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR thousands, unless otherwise stated)

8 Trade payable

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,420	1,510
Total	1,420	1,510

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, 2023	As at March 31, 2022
Outstanding principal amount and interest due to suppliers registered	-	-
- 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, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(i) Others	1,420	-	-	-	1,420
(ii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(i) Others	1,510	-	-	-	1,510
(ii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-



(All amounts in INR thousands, unless otherwise stated)

9 Borrowings (other than debt securities)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unsecured		
Loans from related parties (Refer note 24) [Interest rate ranges 6.93 % p.a. to 8.00% p.a. for FY 2022-23 (6.90 % p.a. to 7.15% p.a. for FY 2021-22)]	18,255	16,505
Total (A)	18,255	16,505
Borrowings in India	18,255	16,505
Borrowings outside India	-	-
Total (B)	18,255	16,505

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Loans from related parties	-	18,255	18,255	-	16,505	16,505

9.1 During the year, there were no defaults in the repayment of principal or interest.

9.2 The company has not been declared wilful defaulter by any bank or financial institutions.

9.4 Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	293	228
Bank balance other than cash and cash equivalents	322	2,558
Borrowings	(18,255)	(16,505)
Net debt	(17,640)	(13,719)

Particulars	Cash and cash equivalents	Bank balance other than cash and cash equivalents	Borrowings	Total
Net debt as at April 1, 2021	5,571	2,559	(13,955)	(5,825)
Cash flows movement (net)	352	(1)	(2,550)	(2,199)
Interest expense	-	-	(1,076)	(1,076)
Interest paid	-	-	1,076	1,076
Other non-cash movements				
- Fair value adjustments	-	-	-	-
- Acquisitions/disposals	-	-	-	-
Net debt as at March 31, 2022	5,923	2,558	(16,505)	(8,024)
Cash flows movement (net)	8,593	1.00	(1,750)	6,844
Interest expense	-	-	(1,315)	(1,315)
Interest paid	-	-	1,315	1,315
Other non-cash movements				
- Fair value adjustments	-	-	-	-
- Acquisitions/disposals	-	-	-	-
Net debt as at March 31, 2023	14,516	2,559	(18,255)	(1,180)

Other Financial

10 Liabilities

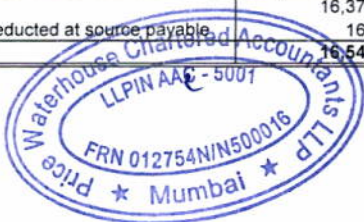
Particulars	As at March 31, 2023	As at March 31, 2022
Other payables	68	71
Total	68	71

11 Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for income tax (net of advance tax of NIL; March 31)	-	593
Total	-	593

12 Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed balances	16,376	5,081
Statutory dues including tax deducted at source payable	169	251
Total	16,545	5,332



(All amounts in INR thousands, unless otherwise stated)

13 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised shares				
Equity shares of Rs. 10 each	192,000,000	1,920,000	192,000,000	1,920,000
Issued, subscribed & fully paid-up shares				
Equity shares of Rs. 10 each	174,511,249	1,745,112	174,511,249	1,745,112
Total	174,511,249	1,745,112	174,511,249	1,745,112

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	174,511,249	1,745,112	174,511,249	1,745,112
Conversion of preference share	-	-	-	-
Outstanding at the end of the year	174,511,249	1,745,112	174,511,249	1,745,112

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 entitled to one vote per share held in the meeting of equity shareholder. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

c) Shares of the Company held by the holding company and subsidiary of ultimate holding company

Shareholders	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
HSBC Securities and Capital Markets (India) Private Limited, the holding company	92,882,352	53.22	92,882,352	53.22
HSBC InvestDirect (India) Private Limited " formerly known as HSBC InvestDirect (India) Limited"	51,628,897	29.58	51,628,897	29.58
HSBC InvestDirect Financial Services (India) Limited	30,000,000	17.19	30,000,000	17.19

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

Shareholders	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
HSBC Securities and Capital Markets (India) Private Limited, the holding company	92,882,352	53.22	92,882,352	53.22
HSBC InvestDirect (India) Private Limited " formerly known as HSBC InvestDirect (India) Limited"	51,628,897	29.58	51,628,897	29.58
HSBC InvestDirect Financial Services (India) Limited	30,000,000	17.19	30,000,000	17.19

e) Shareholding of Promoters

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, the holding company	92,882,352	53.22	-
HSBC InvestDirect (India) Private Limited " formerly known as HSBC InvestDirect (India) Limited"	51,628,897	29.58	-
HSBC InvestDirect Financial Services (India) Limited	30,000,000	17.19	-
Total	174,511,249	100	-

Shares held by promoters as at March 31, 2022			% Change during the year
Promoter name	No. of Shares	% of total shares	
HSBC Securities and Capital Markets (India) Private Limited, the holding company	92,882,352	53.22	-
HSBC InvestDirect (India) Private Limited " formerly known as HSBC InvestDirect (India) Limited"	51,628,897	29.58	-
HSBC InvestDirect Financial Services (India) Limited	30,000,000	17.19	-
Total	174,511,249	100	-



HSBC InvestDirect Securities (India) Private Limited
Notes to financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR thousands, unless otherwise stated)

14 Other equity

A Reserves and Surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium		
Opening balance	2,058,887	2,058,887
Add/(Less) : Changes during the year	-	-
Closing balance	2,058,887	2,058,887
Retained earnings		
Opening balance	(3,677,857)	(3,674,343)
Add/(Less) : (Loss) during the year	(3,026)	(3,514)
Closing balance	(3,680,883)	(3,677,857)
Total	(1,621,996)	(1,618,970)

B Other reserves

Particulars	As at March 31, 2023	As at March 31, 2022
<i>Equity Instruments through Other Comprehensive Income</i>		
Opening balance	3,549	5,092
Add/(Less) : Changes in the fair value of FVOCI equity investments	623	(1,543)
Closing balance	4,172	3,549
Total Other Equity	(1,617,824)	(1,615,421)

Nature and purpose of reserve

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) FVOCI equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.



HSBC InvestDirect Securities (India) Private Limited

Notes to financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR thousands, unless otherwise stated)

15 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on income tax refund	1	4
Interest on deposits	130	125
Dividend Income	393	-
Fair value of gain planned assets	1,322	-
Total	1,846	129

16 Finance cost

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial liabilities measured at amortised cost:		
- Interest on loans from associate company	1,315	1,076
- Bank Charges	221	-
Total	1,536	1,076

17 Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rates and taxes	818	27
Repairs and maintenance		
- Others	1,487	1,487
Communication costs	36	35
Professional fees	610	334
Licence & Fees	16	240
General office	-	28
Auditors' remuneration [refer note (a) below]	165	150
Miscellaneous expenses	-	1
Total	3,132	2,302

a) Breakup of Auditors' remuneration

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit fees	165	150
Total	165	150

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 thousands, unless otherwise stated)

18 Income tax

a) The components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short provision for tax	204	-
Total	204	-

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, 2023 and March 31, 2022 is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting loss before tax	(2,822)	(3,249)
Tax at statutory income tax rate of 25.17% (previous year 25.17%)	(710)	(818)
Tax effect of the amount which are not taxable in calculating taxable income :		
- C/f of business losses	710	818
- Reversal of tax pertaining to previous years	(204)	-
Income tax expense at effective tax rate	204	-
Effective tax rate	-7%	0%

c) Tax losses

Particulars	Assesment Year	Expiry Assessment Year	As at March 31, 2023	As at March 31, 2022
Unused tax losses for which no deferred tax asset has been recognised				
Business losses	2014-15	2022-23	-	174,373
Business losses	2021-22	2029-30	3,190	3,190
			3,190	177,563
Unabsorbed depreciation	2009-10 to 2014-15	Not applicable	557,309	557,309
Short term capital losses	2014-15	2022-23	-	95,670
Short term capital losses	2015-16	2023-24	-	31,178
			-	126,848
Total unused Tax losses			560,499	861,720
Potential tax benefit at March 31, 2023: 25.17%; March 31, 2022: 25.17%			141,078	216,895

The Company has discontinued its business operations in the earlier years and therefore, it is not probable that taxable profit will be available against which the tax deductions can be offset and accordingly deferred tax is non-recognizable.



HSBC InvestDirect Securities (India) Private Limited
Notes to financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR thousands, unless otherwise stated)

19 Earnings per share (EPS)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic/ Diluted earnings per share		
Net profit after tax available for equity shareholders (A)	(3,026)	(3,514)
Weighted average number of equity shares (B)	174,511,249	174,511,249
Basic EPS (A/B) - Rs.	(0.02)	(0.02)
Nominal value per share - Rs.	10	10

20 Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Claims not acknowledged as debts in respect of:		
ESIC demand disputed by the company	-	788
Income Tax	4,103	17,585
Total	4,103	18,373

21 Capital management

a) 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 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.



(All amounts in INR thousands, unless otherwise stated)

22 Fair value measurement

a) Financial Instruments by Category

Particulars	As at March 31, 2023		As at March 31, 2022	
	Fair value through OCI #	Amortised cost	Fair value through OCI #	Amortised cost
Financial Assets:				
Cash and cash equivalents	-	14,516	-	5,923
Bank balance other than cash and cash equivalents above	-	2,559	-	2,558
Investments	4,760	-	4,137	-
Other financial assets		54,183		52,861
Total Financial Assets	4,760	71,258	4,137	61,342
Financial Liabilities:				
Trade and other payables	-	1,420	-	1,510
Borrowings	-	18,255	-	16,505
Other Financial Liabilities	-	68	-	71
Total Financial Liabilities	-	19,743	-	18,086

The Company does not have any financial assets and financial liabilities, which are measured at fair value through profit or loss

The equity securities which are not held for trading, and for which the company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss.



(All amounts in INR thousands, unless otherwise stated)
Finance

22 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. An explanation of each level follows underneath the table.

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 FVOCI					
- Listed equity shares	5	4,760	-	-	4,760
Total financial assets		4,760	-	-	4,760

As at March 31, 2022

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVOCI					
- Listed equity shares	5	4,137	-	-	4,137
Total financial assets		4,137	-	-	4,137

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

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

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

The hierarchies used are as follows:

Level 1: Hierarchy includes financial instruments measured using quoted prices. The listed equity securities are valued at quoted prices as per the stock exchange.

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

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

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.

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



(All amounts in INR thousands, unless otherwise stated)

23 Related party transactions

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

1. Holding Company

HSBC Securities and Capital Markets (India) Private Limited

2. Ultimate Holding Company

HSBC Holdings Plc

3. Post Employment Benefit Plan (PEBP)

HSBC InvestDirect Securities (India) Private Limited. Employee Gratuity

4. Fellow Subsidiary/ Enterprises managed by subsidiary

The Hongkong and Shanghai Banking Corporation Limited - India
HSBC InvestDirect (India) Private Limited " formerly known as HSBC
InvestDirect (India) Limited"

(b) Key Managerial Personnel:

Mr. Shantanu Shankar - Director (Resigned w.e.f March 29, 2023)

Mr. Amit Doshi - Director (Resigned w.e.f. September 13, 2022)

Ms. Payal Advani (appointed w.e.f. September 13, 2022)

Mr. Vikas Kumar Khandelia (appointed w.e.f. March 29, 2023)

Mr. Berlin Varghese (appointed w.e.f. 15 May 2023)

(c) Transactions during the year with related parties:

Transactions	Fellow Subsidiary/ Enterprises managed by subsidiary
Finance cost	1,315 (1,076)
Proceeds from borrowings	1,750 (2,550)

Amounts in brackets represents amount relating to previous year

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

Balances		Fellow Subsidiary/ Enterprises managed by subsidiary	PEBP
Bank balance	31-Mar-23	1,426	-
	31-Mar-22	1,272	-
Borrowings	31-Mar-23	18,255	-
	31-Mar-22	16,505	-
Gratuity Receivable	31-Mar-23	-	6,483
	31-Mar-22	-	5,161



(All amounts in INR thousands, unless otherwise stated)

24 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.

24.1 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.

The Company's financial assets subject to the expected credit loss model under Ind AS 109 are cash and cash equivalents, deposits with banks and security deposits.

The Company has placed security deposit with stock exchanges and does not perceive any significant decline in credit risk of the stock exchanges where the amount of security deposit is material and hence expected probability of default is considered as low.

Cash and cash equivalents, bank deposits are held with only high rated banks/financial institutions, credit risk on them is perceived to be low.

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, 2023	As at March 31, 2022
Cash and cash equivalents	14,516	5,923
Bank balance other than cash and cash equivalents above	2,559	2,558
Other financial assets	54,183	52,861

24.2 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 and price movements of equity instruments.

a) Interest rate risk - investments in deposits with banks, loan from holding company

The Company has invested in deposits with banks and has taken loan from holding company as on balance sheet date. Accordingly, it is exposed to interest rate risk. However, the impact of sensitivity of changes on profit after tax is not material.

b) Price risk

The Company is exposed to price risk arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

The table below summarises the impact of increases/decreases of equity investments in listed shares on the Company's equity for the period. The analysis is based on the assumption that the equity index had increased by 12%(12%) with all other variables held constant, and that all the Company's investments moved in line with the index.

Particulars	Impact on other components of equity	
	Year ended March 31, 2023	Year ended March 31, 2022
Increase by 12%(12%)	414	479
Decrease by 12%(12%)	(414)	(479)



(All amounts in INR thousands, unless otherwise stated)

24.3 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 borrowings from its holding company only. Accordingly, liquidity risk is not applicable. 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 31st March 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	More than 5 years	
Financial assets								
Cash and cash equivalents	14,516	14,516	-	-	-	-	-	14,516
Bank balance other than cash and cash equivalents above	2,559	93	2,510	-	-	-	-	2,603
Investments	4,760	-	-	-	-	-	4,760	4,760
Other financial assets	54,183	-	-	-	-	54,183	-	54,183
Total financial assets	76,018	14,609	2,510	-	-	54,183	4,760	76,062
Financial liabilities								
Trade payables	1,420	169	213	251	-	-	-	633
Borrowings	18,255	337	341	674	20,834	-	-	22,186
Other financial liabilities	68	-	-	68	-	-	-	68
Total financial liabilities	19,743	506	554	993	20,834	-	-	22,887

As at March 31, 2022

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	More than 5 years	
Financial assets								
Cash and cash equivalents	5,923	5,923	-	-	-	-	-	5,923
Bank balance other than cash and cash equivalents	2,558	50	2,547	-	-	-	-	2,597
Investments	4,137	-	-	-	-	-	4,137	4,137
Other financial assets	52,861	-	-	-	-	52,861	-	52,861
Total financial assets	65,479	5,973	2,547	-	-	52,861	4,137	65,518
Financial liabilities								
Trade payables	1,510	1,289	175	46	-	-	-	1,510
Borrowings	16,505	291	294	581	2,334	17,559	-	21,059
Other financial liabilities	71	-	-	71	-	-	-	71
Total financial liabilities	18,086	1,580	469	698	2,334	17,559	-	22,640



(All amounts in INR thousands, unless otherwise stated)

24.4 Maturity analysis of assets and liabilities

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

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	14,516	-	14,516	5,923	-	5,923
Bank balance other than cash and cash equivalents	2,559	-	2,559	2,558	-	2,558
Investments	-	4,760	4,760	-	4,137	4,137
Other financial assets	-	54,183	54,183	-	52,861	52,861
Total financial assets (A)	17,075	58,943	76,018	8,481	56,998	65,479
Non-financial assets						
Current tax assets (Net)	-	87,558	87,558	-	88,223	88,223
Other non-financial assets	-	-	-	-	-	-
Total Non-financial assets (B)	-	87,558	87,558	-	88,223	88,223
Total assets (C = A+B)	17,075	146,501	163,576	8,481	145,221	153,702
Financial liabilities						
Trade payables	1,420	-	1,420	1,510	-	1,510
Borrowings	-	18,255	18,255	-	16,505	16,505
Other Financial Liabilities	68	-	68	71	-	71
Total financial liabilities (D)	1,488	18,255	19,743	1,581	16,505	18,086
Non-financial Liabilities						
Current tax liabilities (Net)	-	-	-	593	-	593
Other non-financial liabilities	16,545	-	16,545	5,332	-	5,332
Total Non-financial liabilities (E)	16,545	-	16,545	5,925	-	5,925
Total liabilities (F = D+E)	18,033	18,255	36,288	7,506	16,505	24,011



(All amounts in INR thousands, unless otherwise stated)

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

The Company is an associate of HSBC InvestDirect (India) Private Limited "formerly known as HSBC InvestDirect (India) 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. Based on RBI CIC regulations and amendments thereto, the Company does not meet criteria of Systemically Important CICs (CIC-ND-SI) and consequently does not require registration with RBI. There are no other CICs, except HIDL within the group.

26 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.

27 Financial ratios

The company has discontinued its broking business operations in the earlier years and there are no definitive business plan in foreseeable future, considering this the financial ratios as prescribed under Division III of Schedule III of Companies Act, 2013, are not applicable to the Company.

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 Securities (India) Private Limited


Ritesh Dedhia
Partner
Membership No: 117607

Mumbai
July 06, 2023


Berlin Varghese
Additional Director
(DIN 10059070)

Mumbai
July 06, 2023


Vikas Khandelwa
Additional Director
(DIN 10061454)


Saurabh Gupta
Company Secretary
(M. No. ACS 44440)