

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2026

To the Members HSBC Asset Management (India) Private Limited

The Board of Directors of HSBC Asset Management (India) Private Limited (the Company / AMIN) is pleased to present its 24th (Twenty Fourth) Annual Report on the business and operations of the Company, together with the audited financial statements for the financial year ended (FY) 31 March 2026 (FY 2025 – 26).

BACKGROUND

AMIN is registered as the Asset Management Company under the regulations of The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time. The Company is a wholly owned subsidiary of HSBC Securities and Capital Markets (India) Private Limited (HSCI). HSCI is also the sponsor of HSBC Mutual Fund.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The mutual fund industry has seen remarkable growth in terms of both assets under management (AUM) and investors over the last decade. The industry AUM grew at a Compounded Annual Growth Rate of 20% during the last 10 years, from ₹12.3 trillion in March 2016 to ₹73.7 trillion in March 2026. The number of unique investors in mutual funds witnessed a staggering increase and more than doubled to 61 million in March 2026 from 23 million in March 2021, with a significant chunk of new investors boarding the mutual fund train. The systematic investment plan (SIP) contribution has grown nearly threefold, from ₹91.8 billion in March 2021 to ₹320.9 billion in March 2026. The confidence shown in the Indian markets by domestic investors helped the industry scale such heights.

The growth in the industry AUM and the steady rise in the number of folios indicate that the mutual fund industry has been able to navigate uncertainties with resilience. The number of accounts (folios as per mutual fund parlance) stood at around 274 million as of March 2026, out of which retail folios accounted for 99.4%. The number of folios grew nearly threefold since March 2021, indicating that investors have matured over time and steadily increased their trust in mutual funds.

The growth in the AUM and folios has occurred not only due to the lumpsum investments but also due to SIPs which have become the cornerstone of investing in mutual funds for many Indian investors. As of March 2026, SIP contributions stood at ₹320.9 billion on a monthly basis as compared to ₹259.3 billion in March 2025, a growth of 24% year on year.

Individual investors, including high-net-worth individuals, retail investors and non-resident Indians (NRIs), hold 62% of the total industry AUM ₹73.7 trillion, which is consistent with the previous year's trend (63%).

In the case of Portfolio Management Services (PMS), as of the end of March 2026, the total AUM stood at ₹41.4 trillion. This is an increase of around 10% from ₹37.8 trillion reported at the end of March 2025.

HSBC Asset Management (India) Private Limited

9-11th Floors, Nesco IT Park Building 3, Nesco Complex,
Western Express Highway, Goregaon (East) Mumbai 400063, India

Toll Free Number: 1800 200 2434 / 1800 4190 200

Email: investor.line@mutualfunds.hsbc.co.in

www.assetmanagement.hsbc.com/in

CIN - U74140MH2001PTC134220

Investment Manager to HSBC Mutual Fund

India's mutual fund AUM to GDP ratio has reached an all-time high of around 21% of GDP as of March 2026. However, it is still significantly lower than that of many developed economies, indicating that there is considerable scope for growth of the domestic mutual fund industry.

To conclude, the growing AUM, along with a widening investor base reflects the growing confidence of investors in the Indian markets and brings with it a plethora of opportunities for investors. With fiscal prudence and strong macroeconomic fundamentals, India has become a preferred destination for global investors and, along with the support and trust of domestic investors, the mutual fund industry is poised for a multi fold growth in the coming years.

FINANCIAL RESULTS

The financial statements for the FY 2025 - 26 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as the Act) read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the financial statements are made on a prudent basis, to reflect in a true and fair manner, the form and substance of transactions and to reasonably present the Company's state of affairs, profits and cash flows for the said period.

The performance of the Company is summarized below:

(₹ in millions)		
Particulars	FY 2025 - 26	FY 2024 - 25
Total Income	6,827	6,415
Total Expenses	3,212	2,908
Profit / (Loss) before Tax and exceptional Item	3,615	3,506
Exceptional Items	-	-
Profit / (Loss) before Tax	3,615	3,506
Provision for Tax (including Current, Deferred and MAT)	913	873
Profit / (Loss) after Tax	2,702	2,633
Other Comprehensive Income (Net of Tax)	(2)	(6)
Total Comprehensive Income for the year	2,700	2,627

DIVIDEND

The Directors do not recommend any dividend on equity shares of the Company for the FY 2025 – 26.

SHARE CAPITAL

Equity shares

The total paid up equity share capital of the Company as at 31 March 2026 was ₹ 3,44,41,50,000 (Rupees Three Thousand and Forty - Four Crores Forty - One Lakh Fifty Thousand Only) divided into 34,44,15,000 (Thirty - Four Crores Forty - Four Lakhs Fifteen Thousand) equity shares of ₹10 (Rupees Ten Only) each.

Appropriations

The Company does not propose to transfer any amount to reserves. An amount of ₹ 2,702 million is proposed to be retained in the Profit and Loss account of the Company.

OPERATIONS & OUTLOOK

The mutual fund industry registered a growth of 21% with quarterly average AUM for the March 2026 quarter at ₹81.6 trillion in comparison to ₹67.4 trillion for the quarter ending March 2025. Your Company's quarterly average AUM stood at ₹1.36 trillion and was the 16th largest fund house in the country.

The number of schemes managed by your Company as of 31 March 2026 stood at 45 Funds comprising 17 Equity Funds including 2 Equity Index Funds, 15 Debt Funds including 2 Debt Index Funds, 6 Hybrid Funds, 1 ETF and 7 Fund of Funds. Your Company's footprint was spread across 62 locations catering to 68,000+ Mutual Fund Distributors (MFDs) and established digital platforms. Your Company provided mutual fund services to around 2.9 million customers across the country during the FY 2025 - 26.

The AUM under advisory to offshore funds stood at USD 4.3 billion as of 31 March 2026, which declined by around 22% in comparison to USD 5.5 billion as of 31 March 2025, which can be substantially attributed to global geopolitical uncertainty and volatility.

For the year under consideration, AMIN ran numerous marketing campaigns to educate investors as well as to promote its funds, which facilitated investors in understanding mutual fund schemes and growing AUM. AMIN strengthened its digital offerings and added new features and functionalities to the investor portal, through which it offers investors an efficient platform for investing in AMIN's schemes in a fast and smooth manner.

During the year under consideration, there were a substantial number of new schemes launches in the sectoral and thematic space on the passive side. A few fund of funds were also launched, prominently investing in commodity Exchange Traded Funds (ETFs) and under the Income Plus Arbitrage category. On the Specialised Investment Fund (SIF) front, there were several product launches, primarily in the Hybrid Long-Short Fund category. During the year, The Securities and Exchange Board of India (SEBI) revised the mutual fund scheme categorization. Among the key changes was the addition of certain new categories such as Sectoral debt funds and Lifecycle funds. Going forward, the expectation is that there will be launches in these newly added categories and passive funds on the mutual funds side, while the launches of new SIFs shall go up as well.

a) HSBC Mutual Fund

During the year, the following schemes were launched by HSBC Mutual Fund

Sr. No	Scheme name	Date of launch	Amount collected in NFO (₹ in millions)
1	HSBC Gold ETF	16 March 2026	146.40
2	HSBC Gold ETF Fund of Fund	19 March 2026	3,533.73

As at 31 March 2026, HSBC Mutual Fund had AUM of ₹ 1,235,346 million under its schemes, as against AUM of ₹ 1,157,194 million in the previous year, and ₹ 400,666 million under its advisory mandate, as against ₹ 823,437 million in the previous year.

b) Portfolio Management Services (PMS)

PMS offers discretionary, non-discretionary and advisory solutions to investors, including institutional investors (foreign and Indian), insurance companies, pension funds, large individual investors, welfare trusts, funds of funds, among others.

The Company commenced management of the Employees' State Insurance Corporation (ESIC) mandate in February 2025. As of 31 March 2026, AUM under the ESIC mandate was ₹180,849.75

million and PMS Equity AUM was ₹4,696.62 million. Accordingly, total AUM as of 31 March 2026 was ₹185,546.37 million, as against ₹152,850.47 million as of 31 March 2025.

OPPORTUNITIES AND THREATS

A dynamic regulatory and market landscape requires the Company to be agile to spot opportunities and threats alike. The Company is continuously reviewing emerging issues/risks that can have a detrimental impact on the business and is taking appropriate steps, where required, to mitigate the potential impact on the business and protect stakeholders' interests.

INVESTOR SERVICES

The number of official points of acceptance of transactions of the Company is in 211 locations. In addition to the offices of the Registrar & Transfer Agents, the Company has its own offices in 62 locations and Investor Service Centres in 55 locations. The Company has 2 Toll Free numbers (1800-4190-200 / 1800-200-2434) which can be dialled from anywhere in India and 1 number i.e., +91 44 39923900 (Investors calling from abroad). The call centre service is being managed by the Registrar and Transfer Agents. HSBC Mutual Fund offers the online transaction facility through the Company website at www.assetmanagement.hsbc.co.in.

The number of empanelled distributors is 68,952 as on 31 March 2026 as against 59,568 as on 31 March 2025. The number of registered investment advisors (RIA) empanelled is 638 as on 31 March 2026. During the year, your Company initiated tie-ups for online distribution of the HSBC Mutual Fund schemes with several channel partners taking the total number of such tie-ups to 202 and RIA channel partners to 21.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Act and the Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the Annual Return for the FY 2025 – 26 will be available on the Company's website at www.assetmanagement.hsbc.co.in.

BOARD MEETINGS

During the FY 2025 – 26, the Company had 5 (five) meetings of the Board of Directors on 28 April 2025, 16 July 2025, 28 October 2025, 15 December 2025 and 17 February 2026.

The details of the attendance of each Director at the Board Meeting(s) held during the FY 2025 - 26 and at the previous Annual General Meeting (AGM) of the Members of the Company held on 30 July 2025 at the registered office of the Company, are as under:

Sr. No.	Directors present	DIN	No. of Board Meetings		Attended last AGM
			Held	Attended	
1	Dr. Indu Shahani	00112289	5	5	No
2	Mr. Kapil Seth	03596866			No
3	Mr. Kailash Kulkarni	07242982			Yes
4	Ms. Roopa Varma	09779388			No

In accordance with SEBI Mutual Funds Regulations (Regulations) and SEBI Master Circular for Mutual Funds (Master Circular) as amended from time to time, the Board of Directors of the Company and the Board of Directors of HSBC Trustees (India) Private Limited (HTIP / Trustee) met on 15 December 2025 to discuss matters relating to HSBC Mutual Fund.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted pursuant to the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, and comprises Dr. Indu Shahani, Mr. Kailash Kulkarni, and Ms. Roopa Varma as at 31 March 2026.

The Company is committed to CSR and demonstrates this by contributing to the economic and social development of the communities and safeguarding the environment. During the year, the Company undertook CSR activities aimed at creating meaningful and measurable impact.

During the FY 2025 - 26, the Company incurred CSR expenditure on the project set out below in order to comply with the requirement of the Act.

Organisation	Programme Title	Amount in ₹ spent in CSR activities
Cancer Patients Aid Association	Supporting treatment for underprivileged walk-in cancer patients and prevention of cervical cancer through human papillomavirus (HPV) vaccination	18,000,000
	Supporting cancer treatment for the economically underprivileged	19,800,000

The CSR Committee met on 16 July 2025 at the registered office of the Company, and the same was attended by all the members of the CSR Committee.

The Company has disclosed the CSR Policy, CSR Committee composition, and CSR projects on the website of the Company. The Annual Report on CSR activities, as prescribed under the Act, is appended to this report as **Annexure A**.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (c) and Section 134 (5) of the Act with respect to Directors' Responsibility Statement and to the best of their knowledge and belief and according to the information and explanations obtained from the Management, the Directors of the Company hereby confirm that:

- that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as of 31 March 2026 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- that the annual accounts have been prepared on a 'going concern' basis; and
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

LOANS OR GUARANTEES

The Company has not provided loans, advances in the nature of loans, or guarantees, nor has it provided any security in respect of the provisions of section 185 of the Act. The details of Investments under section 186 of the Act read with the Companies (Meetings of Board and its powers) Rules, 2014 are given in the Notes to the Financial Statements.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the FY 2025 - 26, all transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis and were not considered material as per the provisions of Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The Company is in the financial services industry and is principally engaged in fund management and related activities. The Company is an asset management company for HSBC Mutual Fund and also provides portfolio management services. Given the nature of its operations, the Company does not have energy-intensive activities and, accordingly, its energy consumption is not material. However, regular efforts are made to adopt appropriate energy conservation measures and technology absorption methods. The particulars regarding conservation of energy and technology absorption, as required to be disclosed pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are applicable to the Company's activities.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the FY 2025 - 26, the Company incurred foreign exchange expenditure of INR 417.80 million [Previous year INR 401.80 million] and earned foreign exchange of INR 743.93 million [Previous year INR 792.62 million].

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the provisions relating to the constitution of an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation, and intimidation. Accordingly, the Company has a Policy for Prohibition, Prevention, & Redressal of Sexual Harassment of Women at the Workplace, and an Internal Complaints Committee is set up to redress complaints received regarding sexual harassment. The summary of complaints received during the year is provided below:

Particulars	Number of Complaints
Pending at the beginning of the year	0
Received during the year	1
Disposed off during the year	1
Pending at the end of the year	0

*This was disposed off within the stipulated timelines

RISK MANAGEMENT FRAMEWORK

HSBC Risk Management Framework (RMF), which is underpinned by Group values, outlines our overall approach to managing risk. It supports our Global Principles and is used throughout the HSBC Group, including our subsidiaries, countries, global businesses, and functions. AMIN has adopted the HSBC RMF along with the risk management framework of local regulations to put in place a robust enterprise - wide risk management framework. Risk management is an integral part of the way we do business. The Company has detailed risk management procedures to comply with local regulatory guidelines and internal Group policies. The HSBC Group has issued internal procedures for each functional / business area, which are required to be complied with comprehensively. AMIN has adopted a risk management and internal control structure, referred to

as the Three Lines of Defence, to ensure it achieves its commercial aims while meeting regulatory and legal requirements and its responsibilities to shareholders, customers and staff.

First Line: comprises predominantly management of businesses who are accountable and responsible for their day-to-day activities and processes, their management of arising risks, and the controls to mitigate those risks.

Second Line: comprises predominantly the governance functions (e.g., Risk team, Compliance team) whose role is to ensure that the Group meets its risk management and internal control responsibilities in relation to the risks they are responsible for overseeing.

Third Line: is Global Internal Audit. Global Internal Audit provides independent assurance to the Group over the design and operation of HSBC's risk management, governance and internal control processes.

An experienced risk management team monitors enterprise-wide risks, including portfolio risks and non-financial risks, and any exceptions are deliberated in Risk Management Meetings (RMM) that are held bi-monthly. The scope and remit of the AMIN RMM extends to the entire business of AMIN, including mutual funds and portfolio management services.

AMIN RMM is responsible for setting, within the context of the Group direction, local regulations, the risk management strategy and appetite, policies and control standards for AMIN and monitoring their implementation. In this regard, the AMIN RMM reviews the material risks affecting the AMIN business and is responsible for the oversight of the risk and internal control environment in AMIN.

AMIN Chief Risk Officer (CRO) is a member of various AMIN Governance Forums, like the Front Office Management Committee, Product Committee, Technology Committee, and Pricing & Valuation Committee and chairs the AMIN RMM.

RISK MANAGEMENT COMMITTEE

Pursuant to the Regulations and Master Circular as amended from time to time on the updated Risk Management Framework for Mutual Funds, the Board of Directors has constituted a Risk Management Committee (RMC), which reports to the Board of Directors. The management and the Chief Risk Officer (CRO) report to the RMC and the CRO attends each meeting of the RMC.

During the FY 2025 - 26, 4 (four) RMC meetings were held on 28 April 2025, 16 July 2025, 28 October 2025, and 17 February 2026. The details of attendance of the Members are as under:

Sr. No.	Name of Members	Designation	Number of meetings	
			Held	Attended
1	Dr. Indu Shahani	Director	4	4
2	Mr. Kapil Seth	Director		
3	Ms. Roopa Varma	Associate Director		

The Company Secretary acts as the Secretary to the RMC. The scope of the RMC is to provide oversight, governance, recommendations and advice on all matters related to the risk management framework rolled out in the Company under the SEBI circular and is expected to meet quarterly. On 15 December 2025, the RMC of the Company met with the RMC of HTIP.

AUDIT COMMITTEE

In order to comply with the requirements of the SEBI Master Circular. The Company has constituted an Audit Committee of the Board of Directors of the Company. The role, responsibilities, membership and other terms of reference of the Audit Committee are prescribed under the said Circular. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

During the FY 2025 - 26, 5 (five) meetings of the Audit Committee were held on 28 April 2025, 16 July 2025, 28 October 2025, 15 December 2025 and 17 February 2026. The details of attendance of the Members are as under:

Sr. No.	Name of Members	Designation	Number of meetings	
			Held	Attended
1	Dr. Indu Shahani	Director	5	5
2	Mr. Kapil Seth	Director	5	5
3	Ms. Roopa Varma	Associate Director	5	5

During the year under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee. The SEBI Master Circular has mandated that the Audit Committee of the AMC should interact with the Audit Committee of the Trustees at least once annually. On 15 December 2025, the Audit Committee of the Company met with the Audit Committee of HTIP. The Statutory Auditors and Internal Auditors of the Company and the HSBC Mutual Fund were present at the meeting.

UNIT HOLDER PROTECTION COMMITTEE

The Unit Holder Protection Committee (UHPC) was constituted pursuant to the Regulations, and Master Circular as amended from time to time, inter alia to protect the interest of unit holders of the Schemes of HSBC Mutual Fund. The terms of reference of the UHPC are prescribed under the said regulations.

During the FY 2025 - 26, 4 (four) UHPC Meetings were held on 28 April 2025, 16 July 2025, 28 October 2025 and 17 February 2026. The details of attendance of the Members are as under:

Sr. No.	Name of Members	Designation	Number of meetings	
			Held	Attended
1	Mr. Kapil Seth	Director	4	4
2	Dr. Indu Shahani	Director		
3	Mr. Kailash Kulkarni	Whole Time Director		

The Company Secretary acts as the Secretary to the Committee.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company complies with the Regulations which state that the Independent Directors of the AMC should be at least 50% of the total board strength. Hence, the Board of Directors of the Company comprises a minimum of 50% directors who are not associated in any manner with the Sponsor of HSBC Mutual Fund (HMF), i.e. HSBC Securities and Capital Markets (India) Private Limited or any of its subsidiaries or the Trustees of HMF.

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no Key Managerial Personnel have been appointed, since the provisions are not applicable to the Company.

GENERAL MEETING OF MEMBERS

AGM	Type of Meeting (Annual / Extra-ordinary)	Day and Date	Location / Deemed Venue	Special resolutions passed
23rd	Annual General Meeting	Wednesday, 30 July 25	9-11th Floors, Nesco IT Park Building 3, Nesco Complex, Western Express Highway, Goregaon (East) Mumbai – 400063	No special resolution was passed.

DEPOSITS

The Company, being an Asset Management Company, primarily governed by the Regulations, has not accepted any deposits from the public during the financial year under review, in accordance with Section 73 and 74 read with the Chapter V of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS

During the year, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

AUDITORS

Pursuant to Sections 139 and 141 of the Companies Act, 2013, read with the Companies (Audit & Auditors) Rules, 2014, as amended from time to time, M S K A & Associates, Chartered Accountants (BDO), (Firm Registration No. 105047W/117812), Mumbai, had been appointed as the Auditors of the Company at the 23rd Annual General Meeting (AGM) held on 30 July 2025, until the conclusion of the Annual General Meeting to be held for the financial year 2029 – 2030.

The Auditor has provided its consent and a certificate confirming its eligibility for appointment under the provisions of the Act.

COST RECORDS

As the Company is not a manufacturing company, the provisions for the maintenance of cost records do not apply, and the cost audit as prescribed under Section 148 of the Act is not applicable to the Company.

VALUATION

AMIN is governed by Indian Accounting Standards (Ind AS) and Ind AS requires all entities to ensure that their assets are carried at no more than their recoverable amount. Ind AS 36 requires that impairment testing of an intangible asset with an indefinite useful life shall be performed annually. Accordingly, AMIN has performed an impairment assessment of intangible assets with an indefinite useful life (Asset Management Rights) and goodwill acquired in a business combination in FY23. For the impairment assessment, the entire company is considered as one Cash Generating Unit (CGU). The intangible assets (Asset Management Rights and goodwill) both have been fully allocated to this CGU. Based on the results of the impairment testing there has been no impairment recognised in the carrying value of the CGU as of 31 March 2026 as the recoverable amount of the CGU is higher than the carrying value of the CGU.

SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

CORPORATE PHILOSOPHY AND COMPLIANCE

The Company firmly believes that strong corporate governance and compliance practices are of paramount importance in maintaining the trust and confidence of its stakeholders and the reputation of the Company. To ensure transparency, fairness and objectivity in the organisation's functioning and the unquestioned integrity of all personnel involved, the Company has proactively adopted best practices with regard to corporate governance and compliance.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH RESPECT TO FINANCIAL STATEMENTS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial disclosures. This framework provides adequate financial controls with reference to financial statements commensurate with the business and operations of the Company. During the year, there were no adverse observations received from the Statutory or Internal auditors of the Company regarding the inadequacy of such controls.

COMMENTS ON AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks made by Statutory Auditors (BDO) in their report.

FRAUDS REPORTED BY AUDITORS

The Auditors have not reported any offence of fraud that is being or has been committed at the Company by its officers or employees to the Board of Directors or an Audit Committee as required under section 143(12) of the Act.

INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations with a risk based internal audit approach.

The Company appointed M/s M.P. Chitale, Chartered Accountants as internal auditors of the Company for the FY 2025 - 26.

MATERIAL CHANGES COMMITMENTS

During the FY 2025 – 26, there has been no material changes in the Company.

CHANGE IN THE NATURE OF BUSINESS

During the FY 2025 - 26, there has been no change in the nature of the business of the Company.

VIGIL MECHANISM

The Company had voluntarily adopted a vigil mechanism for its employees to report their genuine concerns or grievances which is as per HSBC Group Policy.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company was not required to make any transfer of dividend or shares to IEPF for the FY 2025 - 26.

HUMAN RESOURCES

The Company recognizes people as its most valuable asset, and it has built an open and transparent culture to nurture this asset. The Company had 478 permanent employees with females – 172, males – 306 and transgender - 0 as of 31 March 2026.

The Company is in compliance with the provisions of the Maternity Benefit Act, 1961 during the FY 2025 - 26.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

No other Companies have become or ceased to be its subsidiaries, joint ventures or associate companies during the FY 2025 - 26.

INSOLVENCY AND BANKRUPTCY CODE ORDERS

There was no application made or proceeding pending or order passed against the Company under Insolvency and Bankruptcy Code, 2016.

ACKNOWLEDGEMENTS

The Company maintained cordial relationships with regulatory authorities, financial institutions, banks and investors during the year under review. The directors are grateful for the support extended by various partners and other business associates and look forward to receiving their continued support and encouragement. The directors would also like to take this opportunity to express their appreciation for the hard work and dedicated efforts put in by the employees and look forward to their continued contribution.

By authority of the Board of Directors

Sd/-

Dr. Indu Shahani
Director
DIN – 00112289

Sd/-

Kailash Kulkarni
Whole Time Director & Chief Executive Officer
DIN – 07242982

Place: Mumbai
Date: 16 July 2026

CORPORATE SOCIAL RESPONSIBILITY POLICY

HSBC Asset Management (India) Private Limited (AMIN) is committed to Corporate Social Responsibility (CSR) and demonstrates this by contributing to the economic and social development of the communities and safeguarding the environment. While these two components are universal and will be at the centre of most sustainability initiatives, there are various components which make up this huge canvas. AMIN's community investments are focused on two core themes:

1. Promoting Education
2. Environmental Sustainability

Within Promoting Education our focus is particularly on:

- Disadvantaged young people particularly at primary and secondary education levels
- Employment-enhancing vocational skills
- Livelihoods enhancement projects
- Empowering women
- Language and cultural understanding

Within the Environmental Sustainability our focus is particularly on:

- Freshwater sustainability
- Access to safe water
- Water and sanitation
- Climate change
- Conservation of terrestrial biodiversity and habitats (e.g. forests, ecological balance, protection of flora and fauna)

COMMUNITY INVESTMENT

Selection of Beneficiary Projects and Organisations

The Board of Directors of AMIN (Board) are responsible for the development and funding of programmes/projects/activities that support communities in which they operate and are in adherence to the provisions of the Companies Act and the CSR Rules there under.

AMIN will undertake such CSR programmes/projects/activities as recommended by the CSR Committee and approved by the Board. The Board should approve the following:

1. Annual budget for CSR activities
2. List of CSR activities, modalities of execution and implementation schedules
3. Monitoring process of such CSR activities

The Board will ensure that any unspent/unutilised CSR budget of a particular year will not form part of the business profit.

The Board will ensure programme/project/activity selection is made after a sensible assessment of the prospective beneficiaries' standing, that potential risks have been identified and the relationship is aligned with the AMIN's CSR focus.

Community investments should bring a lasting benefit to local communities, motivate staff through opportunities for direct voluntary involvement and focus primarily on promoting education or environmental sustainability.

While supporting Environmental Sustainability, environmental initiatives can be aligned to HSBC Group's flagship programmes (e.g. The HSBC Water Programme).

The CSR Committee will adhere to the due diligence guidelines (as approved by the Board) and undertake due diligence appropriate to the size and nature of the proposed relationship when electing to partner with an NGO. Due consideration will also be given to whether it is appropriate to formalise the prospective arrangement in documentation (i.e. Memorandum of Understanding).

All CSR projects should:

- Reflect the key themes of educational and environmental support
- Have clear objectives and measurable impact
- Bring a lasting benefit to the community
- Be capable of evidencing HSBC's commitment to the community
- Allow for staff engagement through volunteering where possible or appropriate

Community investments should normally avoid the following:

- Sponsorship of individuals
- Organisations that serve a limited or restricted membership (e.g. clubs, unions, etc.)
- Sporting events or sports teams
- Organisations that primarily or largely exist to develop the furtherance of faith-based issues
- Payments of salaries. Where large, long-term community investments are made it is accepted that part of the support may cover the costs of staff, but this should not normally be the primary reason, nor form a major part of the community investment
- Construction of buildings
- Purchase of land or property
- Zoological parks should not normally receive funding for captive conservation projects. However, they may be considered where the activity undertaken is primarily educational in nature
- The endowment of university chairs or development programmes

Governance of community investments and disbursement of funds

AMIN will establish appropriate, transparent mechanisms for the management of community investments. The following process will be followed for making a community investment:

- Check request for funding against AMIN's focus area
- Conduct Due Diligence (as per format approved by the Board)
- Request for Proposal (as per format approved by the Board)
- Evaluate Proposal
- Maker–Checker process
- Submit Recommendations to the Board for approval
- On approval disburse the amount to the partner organisation
- Make field visits (as per schedule approved by the Board)

To ensure that decisions over the disbursement of community investment funding are subject to appropriate management control, to facilitate consistency with the objectives of the business as a whole, compliance with appropriate tax and other legal and regulatory obligations, including the UK Bribery Act 2010, and ensure relevance to genuine community needs. All disbursements should be through members of the CSR Committee or such other person authorized by the Board, who have read and understood the policy.

Avoiding conflict of interest

Potential conflict of interest that may arise when a member of the Board or the CSR Committee or CSR Function has a direct interest in a not-for-profit organisation in question must be avoided. Such conflict of interest should be avoided by a declaration of interest by the concerned individual to the Board.

Where HSBC executives join the Board of a not-for-profit organisation to improve the governance and oversight over its activities, they should absent themselves from any decision to fund the organisation.

Requests made by customers to provide fund support to not-for-profits should be refused. Similarly, community investments should not be made in order to maintain or enhance any customer relationship.

Monitoring and reporting

The CSR Committee is responsible for gathering information on the social and environmental impact of programmes and projects undertaken. 'Output' and 'Impact' measures will be monitored for all major programmes and projects. The CSR Committee will ensure that the non-profit partners monitor and report on the outputs and impacts of their projects. Projects will be monitored through: half yearly progress reports, annual reports along with fund utilisation reports (as per format approved by the Board) and field visits of programmes/projects.

The Board will ensure that all activities are reported at the end of each financial year as required under provision of the Act.

HSBC employee engagement

Engaging employees in community investment programmes is an opportunity to ensure that our investments are maximised, that HSBC staff are present to monitor progress, and to see that funds contributed are used for the purpose for which they have been given.

Each global business and function should offer a minimum of one-day paid employee volunteer leave per year and establish policies and programmes which guide and support employees wishing to contribute to projects in their local community.

General

In case of any doubt with regard to any provision of the CSR Policy and also in respect of matters not covered herein, a reference should be made to the Board. In all such matters, the interpretation and decision of the Board will be final.

Any or all provisions of the CSR Policy will be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Board reserves the right to modify, cancel, add or amend the CSR Policy.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2025 - 26

1) Brief outline on CSR Policy of the Company.

The Company is committed to Corporate Social Responsibility (CSR) and demonstrates this by contributing to the economic and social development of the communities and safeguarding the environment. While these two components are universal and will be at the center of most sustainability initiatives, there are various components which make up this huge canvas. The Company's community investments (CI) are focused on two core themes:

1. Promoting Education
2. Environmental Sustainability

Within Promoting Education focus is particularly on:

- Disadvantaged young people particularly at primary and secondary education levels
- Employment enhancing vocational skills
- Livelihoods enhancement projects
- Empowering women
- Language and cultural understanding

Within the Environmental Sustainability focus is particularly on:

- Freshwater sustainability
- Access to safe water
- Water and sanitation
- Climate change
- Conservation of terrestrial biodiversity and habitats (e.g. forests) (ecological balance, protection of flora and fauna)

2) Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Indu Shahani	Director	1	1
2	Kailash Kulkarni	Whole Time Director & Chief Executive Officer	1	1
3	Roopa Varma	Director	1	1

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company – <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/about-us/corporate-social-responsibility-policy>

4) Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – Not Applicable

- 5)**
- | | |
|--|-------------------|
| (a) Average net profit of the company as per section 135(5) | - ₹ 1,889,283,848 |
| (b) Two percent of average net profit of the company as per section 135(5) | - ₹ 37,785,676 |
| (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | - ₹ 0 |
| (d) Amount required to be set off for the financial year, if any | - ₹ 0 |
| (e) Total CSR obligation for the financial year [(b)+(c)-(d)] | - ₹ 37,785,676 |

- 6) (a) Amount spent on CSR Projects (~~both Ongoing Project and~~ other than Ongoing Project) - ₹ 37,800,000
- (b) Amount spent in Administrative Overheads - ₹ 0
- (c) Amount spent on Impact Assessment, if applicable - ₹ 0
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 37,800,000
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹	Nil				

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 37,800,000
(ii)	Total amount spent for the Financial Year	₹37,800,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 14,324
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ 0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0

7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years – Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to a fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs.).	Date of transfer.		
Nil									

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Short particulars of the property or asset(s) [including complete address and location of the property]	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

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

Sd/-

Mr. Kailash Kulkarni
Chief Executive Officer & Whole Time Director
DIN: 07242982

Sd/-

Dr. Indu Shahani
Chairperson - CSR Committee
DIN: 00112289

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HSBC Asset Management (India) Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, 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 (hereinafter referred to as the "financial statements").

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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Director's report, which is expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Management and Board of Directors are 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 Indian 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Company are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 and Board of Directors.
- Conclude on the appropriateness of Management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of the Company for the year ended March 31, 2025, were audited by another auditor whose report dated July 16, 2025 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

1. 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 "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 of the aforesaid financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (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 maintained for the purpose of preparation of the financial statements.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (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 35 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts - Refer Note 6 to the financial statements. The company did not have any derivative contracts as at March 31, 2026.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.
 - iv.
 - (a) The Management has represented that, to the best of it’s knowledge and belief, as disclosed in the note 41(vii)(A) 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, 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 it’s knowledge and belief, as disclosed in the note 41(vii)(B) 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, 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.
 - (c) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e) 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 four accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of two accounting softwares to log any direct data changes as explained in Note 41(xv) to the financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting softwares. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act are not applicable to the Company as it is a private company.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Swapnil Kale
Partner
Membership No.: 117812
UDIN: 26117812WFSTSE3396

Mumbai
July 16, 2026

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HSBC ASSET MANAGEMENT (INDIA) PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, investment property and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the provisions stated under clause 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During any point of time of the year, the Company has not been sanctioned working capital limits from Banks and financial institutions on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, guarantees, and security in respect of which provisions of sections 185 of the Act are applicable and accordingly, the requirement to report under clause 3(iv) of the Order to that extent is not applicable to the Company.

According to the information and explanations given to us, the Company has complied with the provisions of 186 of the Act, in respect of investments made. The Company has not granted loans, stood guarantees or provided securities in respect of which provisions of 186 of the Act, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to that extent.

- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.
- vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the services of the Company. Accordingly, the requirement to report on 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 examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, income-tax and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year with the exception of slight delay in depositing profession tax. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, dues relating to income tax act, goods and services tax, provident fund etc. which have not been deposited as on March 31, 2026, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (Rs.In Lakhs)	Amount Paid Rs.In Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income Tax	526	373	Financial Year 2009-10	Commissioner of Income Tax (Appeals)	Amount partially adjusted against refund granted amounting to Rs. 373 lakhs for AY 2010-11
The Income Tax Act, 1961	Income Tax	9	2	Financial Year 2013-14	Commissioner of Income Tax (Appeals)	Amount paid under protest Rs. 2 lakhs
The Income Tax Act, 1961	Income Tax	311	311	Financial Year 2020-21	Commissioner of Income Tax (Appeals)	None
Service Tax Laws	Service tax	225	11	October 2010 to October 2012	Customs, Excise and Service Tax Appellate Tribunal	Amount paid under protest Rs. 11 lakhs
Service	Service tax	212	19	April 2016 to	Customs, Excise	Amount paid under

Tax Laws				June 2017	and Service Tax Appellate Tribunal	protest Rs. 19 lakhs
Service Tax Laws	Service tax	422	21	October 2009 to November 2012	Customs, Excise and Service Tax Appellate Tribunal	Amount paid under protest Rs. 21 lakhs
GST Act	Goods and Services Tax	14,907	2500	July 2017 to October 2018	The Commissioner (Appeals)	Amount paid under protest Rs. 2,500 lakhs
Service Tax Laws	Service tax	59	3	April 2010 to March 2015	Customs, Excise and Service Tax Appellate Tribunal	Amount paid under protest Rs. 3 lakhs

There are no dues relating to employees' state insurance, sales-tax, duty of customs, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of any dispute.

- viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the requirement to report under clause 3(ix)(a) of the Order is not applicable to the Company.
- (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. Refer note 41(iii) of Financial Statements.
- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the requirement to report under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us, there are no funds raised during the year. Accordingly, the requirement to report under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, requirement to report under clause 3(ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report under clause 3(ix)(f) of the order is not applicable to the Company.

- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.
- (b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and shared with us for reporting under this clause, while determining the nature, timing, and extent of audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on 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 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- (d) There are no other Companies part of the Group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. The Financial Ratio prescribed under Division III of Schedule III to the Act are not applicable to the Company (as disclosed in note 41(xiv) to the financial statements). On the basis of the 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.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Companies Act, 2013 as disclosed in note 29C to the financial statements.

(b) There are no ongoing projects and accordingly reporting under Clause 3(xx)(b) 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 standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Swapnil Kale
Partner
Membership No.: 117812
UDIN: 26117812WFSTSE3396

Mumbai
July 16, 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HSBC Asset Management (India) Private Limited

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of HSBC Asset Management (India) Private Limited on the Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

Opinion

We have audited the internal financial controls with reference to financial statements of HSBC Asset Management (India) Private Limited (the "Company") as of March 31, 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements 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').

Management's and Board of Director's Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 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

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 issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control 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 control 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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 control 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.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Swapnil Kale
Partner
Membership No.: 117812
UDIN: 26117812WFSTSE3396

Mumbai
July 16, 2026

HSBC Asset Management (India) Private Limited
Balance Sheet as at March 31, 2026
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial Assets			
Cash and cash equivalents	3	80	555
Bank balance other than Cash and Cash equivalents	4	1,098	1,041
Trade receivables	5	7,071	11,013
Investments	6	100,561	67,134
Other financial assets	7	267	253
Subtotal		109,077	79,996
Non-Financial Assets			
Current tax assets (Net)	8	2,588	1,804
Property, plant and equipment	9	1,835	1,906
Capital work in progress	10	-	69
Right-of-use assets	11	1,404	1,952
Goodwill	12	108,074	108,074
Other intangible assets	13	308,432	308,341
Other non-financial assets	14	4,775	4,772
Subtotal		427,108	426,918
Total Assets		536,185	506,914
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables	15	-	-
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,543	5,064
Lease liabilities	11	1,615	2,111
Other financial liabilities	16	1,089	867
Subtotal		7,247	8,042
Non-Financial Liabilities			
Current tax liabilities (Net)	17	6,437	6,389
Deferred tax liabilities (Net)	18	78,551	77,969
Provisions	19	2,233	1,647
Other non-financial liabilities	20	3,846	1,998
Subtotal		91,067	88,003
EQUITY			
Equity share capital	21	34,441	34,441
Other equity	22	403,430	376,428
Subtotal		437,871	410,869
Total Liabilities and Equity		536,185	506,914
Material Accounting Policies	1 & 2		

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

For M S K A & Associates LLP
Firm Registration No: 105047W

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

Swapnil Kale
Partner
Membership No: 117812

Dr. Indu Shahani
Director
DIN No: 00112289

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sneha Shetty
Company Secretary
ACS 32038

Place: Mumbai
Date: July 16, 2026

Place: Mumbai
Date: July 16, 2026

HSBC Asset Management (India) Private Limited
Statement of Profit and Loss for the year ended March 31, 2026
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Fees and commission Income	23	62,816	59,703
Net gain on fair value changes	24	4,871	4,099
Revenue from operations		67,687	63,802
Other income	25	581	344
Total Income		68,268	64,146
Expenses			
Finance cost	26	146	197
Employee benefits expense	27	16,840	14,110
Depreciation and amortization expense	28	1,531	1,356
Others expenses	29	13,599	13,422
Total expenses		32,116	29,085
Profit before tax		36,152	35,061
Exceptional items			
Tax expense:			
(a) Current tax	30.1	8,520	8,469
(b) Adjustment for current tax of prior periods	30.1	24	(36)
(c) Deferred tax	30.2	588	295
		9,132	8,728
Profit for the year		27,020	26,333
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined employee benefit plans	19	(24)	(83)
Income tax relating to items that will not be reclassified to profit or loss	30.1	6	21
Subtotal		(18)	(62)
(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income		(18)	(62)
Total comprehensive income for the year		27,002	26,271
Earnings per equity share (Nominal value of Rs. 10/- per share) Basic & Diluted (in INR)	37	7.85	7.65

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 M S K A & Associates LLP
Firm Registration No: 105047W

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

Swapnil Kale
Partner
Membership No: 117812

Dr. Indu Shahani
Director
DIN No: 00112289

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sneha Shetty
Company Secretary
CS No: A32038

Place: Mumbai
Date: July 16, 2026

Place: Mumbai
Date: July 16, 2026

HSBC Asset Management (India) Private Limited
Statement of Cash Flows for the year ended March 31, 2026
(All amounts in lakhs of Indian Rupees unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
A	Cash flow from operating activities			
	Profit before income tax		36,152	35,061
	Adjustments for:			
	- (Profit) / Loss on disposal of property plant and equipment (Net)	25	(1)	-
	- Unrealised (gain) / loss on forex fluctuation on trade receivables / payables		(29)	(163)
	- Finance cost	26	146	197
	- Depreciation and amortisation	28	1,531	1,356
	- Remeasurement of defined benefit plans	19	(24)	(83)
	- Interest on Income tax refund	25	(474)	(191)
	- (Profit) / Loss on sale of investments (net)	24	(1,541)	(2,077)
	- Net (Gain) / Loss on fair value changes on FVTPL assets	24	(3,330)	(2,022)
	Operating profit before working capital changes		32,430	32,078
	<u>Adjustments for changes in working capital</u>			
	(Increase) / decrease in bank balance other than cash and cash equivalents	4	(57)	(41)
	(Increase) / decrease in other financial assets	7	(14)	-
	(Increase) / decrease in other non financial assets	14	(3)	(643)
	(Increase) / decrease in trade receivables	5	4,093	(2,217)
	Increase / (decrease) in trade payables	15	(644)	410
	Increase / (decrease) in other financial liabilities	16	222	112
	Increase / (decrease) in other non financial liabilities	20	1,848	(549)
	Increase / (decrease) in provisions	19	586	157
			6,031	(2,771)
	Cash generated from operations		38,461	29,307
	Refunds Received/(Payment of taxes) (net)		(8,800)	(3,244)
	Net cash (used in) / generated from operating activities (A)		29,661	26,063
B	Cash flow from investing activities			
	- Purchase of investments		(79,727)	(80,300)
	- Proceeds from sale of investments		51,166	56,602
	- Placement of fixed deposit		-	(1,000)
	- Purchase of property, plant & equipment including CWIP	9 & 10	(696)	(660)
	- Sale of property, plant & equipment	9	1	-
	- Purchase of other intangible assets	13	(232)	(106)
	- Cash balance of subsidiary on account of amalgamation		-	-
	Net cash (used in) / generated from investing activities (B)		(29,488)	(25,464)
C	Cash flow from financing activities			
	- Finance cost	26	(146)	(197)
	- Principal portion of lease liabilities	11	(502)	(468)
	Net cash (used in) / generated from Financing activities (C)		(648)	(665)
	Net change in cash and cash equivalents (A+B+C)		(475)	(66)
	Cash and cash equivalents at the beginning of the year		555	621
	Cash and cash equivalents at the end of the year		80	555
	Non-cash investing activities			
	- Acquisition of Right-of-use assets	11	6	679
	Components of cash and cash equivalents			
	In Current account with banks			
	- Balances with banks in current accounts	3	80	555
	Total cash and cash equivalents		80	555

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

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

For M S K A & Associates LLP
Firm Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

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

Dr. Indu Shaha
Director
DIN No: 00112289

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sneha Shetty
Company Secretary
CS No: A32038

Place: Mumbai
Date: July 16, 2026

Place: Mumbai
Date: July 16, 2026

HSBC Asset Management (India) Private Limited
Statement of Changes In Equity for the year ended March 31, 2026
(All amounts in lakhs of Indian Rupees unless otherwise stated)

a) Equity Share Capital

Particulars	Number of Shares	Amount
As at March 31, 2024	344,415,000	34,441
Changes in equity share capital	-	-
As at March 31, 2025	344,415,000	34,441
Changes in equity share capital	-	-
As at March 31, 2026	344,415,000	34,441

b) Other Equity

Particulars	Reserves and Surplus			Total
	Capital Redemption Reserve	Securities Premium	Retained Earnings	
Balance as at March 31, 2024	900	315,470	33,787	350,157
Profit for the year	-	-	26,333	26,333
Other comprehensive income	-	-	(62)	(62)
Total Comprehensive Income for the year	-	-	26,271	26,271
Issue of equity shares, net of transaction costs	-	-	-	-
Balance as at March 31, 2025	900	315,470	60,058	376,428
Profit for the year	-	-	27,020	27,020
Other Comprehensive Income	-	-	(18)	(18)
Total comprehensive income for the year	-	-	27,002	27,002
Issue of equity shares, net of transaction costs	-	-	-	-
Balance as at March 31, 2026	900	315,470	87,060	403,430

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 M S K A & Associates LLP
Firm Registration No: 105047W

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

Swapnil Kale
Partner
Membership No: 117812

Dr. Indu Shahani
Director
DIN No: 00112289

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sneha Shetty
Company Secretary
CS No: A32038

Place: Mumbai
Date: July 16, 2026

Place: Mumbai
Date: July 16, 2026

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Background

HSBC Asset Management (India) Private Limited ("the Company") was incorporated on December 12, 2001. Its registered office address is 9-11 Floors, NESCO IT Park, Building no.3, Western Express Highway, Goregoan (East) Mumbai, 400063. The Company is a wholly owned subsidiary of HSBC Securities and Capital Markets (India) Private Limited. Its principal activity is to act as an Investment Manager to HSBC Mutual Fund ("the Fund"). The Company manages the Mutual Fund schemes launched by HSBC Mutual Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated February 7, 2002. The Company is also a SEBI registered Portfolio Manager. The Company has received a certificate from SEBI to act as Portfolio Manager. The said certificate is valid up to September 13, 2026 and to be renewed thereafter. It provides discretionary and advisory Portfolio Management Services (PMS) to its clients. The Company also provides sub-advisory non binding services to its group entities.

Note 1: 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.

1. Basis of preparation

1.1 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] and other relevant provisions of the Act, as amended from time to time.

1.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities are measured at fair value.

1.3 Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 to amend the following Ind AS which are effective from effective from 01 April, 2025. These amendments do not have a material impact on The Company's financial statements or material accounting policy information.

Ind AS 12 - Income Taxes - The amendment introduced relates to OECD Pillar Two global minimum tax rules. The Company has assessed the amendment and concluded that there is no impact.

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates - A new framework has been introduced for situations involving non-exchangeable currencies, requiring entities to assess exchangeability and estimate spot rates when exchangeability is lacking. Additional disclosures are required for currencies under restrictions. The Company has assessed these changes and noted no impact.

Ind AS 1 - Presentation of Financial Statements - Amendments clarify the principles for classification of liabilities as current or non-current, including treatments of covenant breaches and updated disclosure requirements. The Company has evaluated these amendments and determined no significant impact.

Ind AS 7 / Ind AS 107 - Statement of Cash Flows / Financial Instruments Disclosures - Amendments require enhanced disclosures relating to supplier-finance arrangements, including terms, outstanding balances, and liquidity risk considerations. The Company does not have material supplier-finance arrangements; therefore, no impact arises.

Ind AS 101 - First-time Adoption of Ind AS - Amendments require additional disclosures for entities operating in hyperinflationary environments and introduce transitional reliefs relating to lease

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

classification under Ind AS 116. As The Company is not a first-time adopter, these amendments do not affect the Company.

Ind AS 115 - Revenue Recognition - Technical updates have been made to replace outdated cross-references to superseded standards. No impact on the Company's financial statements.

Ind AS 116 - Leases - Transitional relief is provided for lease arrangements involving land and building components, allowing classification based on facts at the transition date. This is not applicable to the Company.

Standards notified but not yet effective

The amendments to the standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these amendments to the standards, when they become effective.

(i) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1 April, 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2026 retrospectively in accordance with Ind AS 8. The Company has evaluated the amendment and there is no impact on its financial statement.

2. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Chief Executive Officer & Director who has been identified as the Chief Operating Decisions Maker. The company presently has a single reportable segment. Necessary disclosure with respect to single reporting segment has been provided in note 40.

3. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is Company's functional and presentation currency. Except as otherwise indicated, financial statements presented in Indian rupee has been rounded to the nearest lakhs.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the Statement of Profit and Loss.

4. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

Management fees

Management fees (net of GST) from mutual fund schemes are recognised on an accrual basis in accordance with the investment management agreement and provision of SEBI (Mutual Fund) Regulations, 1996. Revenue from management fees is recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Company.

Portfolio Management fees

Portfolio management fees (net of GST) are recognised on an accrual basis in accordance with the respective terms of contract with counter parties. Revenue from portfolio management fees is recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Company.

Advisory fees

Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors as and when services are performed over the time as the customer simultaneously receives and consumes the benefits provided by the company.

5. Income tax

Current taxes

The income tax expense or credit 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes

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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

Uncertain Tax position

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

6. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the lease asset is available for use by the Company. Contracts may contain both lease and non lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their respective stand alone prices. However, for lease of real estate for which the Company is lessee, it has elected not to separate lease and non lease components and instead accounts for these as a single lease component.

Assets and liabilities from a lease are initially measured on a present value basis, Lease liabilities include the net present value of the following lease payments :

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date
- amount expected to be payable by the Company under residual value guarantees

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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

Variable lease payments that depend on sales are recognised in profit or loss in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following :

- The amount of the initial measurement of lease liability
- Any lease payment made at or before the commencement date less any lease incentives received.
- Any initial direct costs, and
- Restoration cost.

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

Short term leases and leases of low value assets

The Company has elected not to recognise the right-of-use asset and lease liabilities for short term leases that have a lease life of 12 months or less and leases of low value assets. The Company recognises the lease payment associated with these leases as an expense on straight line basis over the lease term.

7. Impairment of assets

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

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of Profit and Loss.

8. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash in hand, balances and short term deposits with other banks and other short-term, highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

10. Investments and other financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. 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.

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

ii. 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.

iii. Measurement

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

Debt instruments

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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. 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.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and 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 and loss. Interest income from these financial assets is included using the effective interest rate method. Foreign exchange gains(losses) are presented in net gain on fair value changes 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 Net gain/loss on fair value changes in the period in which it arises.

Equity instruments

The Company measures all equity investments at fair value through profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net gain/loss on fair value changes in the Statement of Profit and Loss.

iv. 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 32(b) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v. Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset; or
- 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

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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.

vi. Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

Profit or loss on sale of investments

In determining the holding cost of investments and the gains or loss on sale of investments, the “weighted average cost” method is followed.

11. Financial liabilities

i. Classification as debt or equity

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 definition of a financial liability and an equity instrument.

ii. Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

iii. Subsequent measurement:

Financial liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the liabilities using the effective interest rate method.

iv. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

lender on substantially different terms or the terms of the existing liability are substantially modified, such as exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

12. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

13. Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

Further, as disclosed in table below, based on technical evaluation done by management's expert, the estimated useful life of fixed assets of the Company is different from useful life prescribed in Schedule II of the Companies Act, 2013. Based on the nature of fixed assets used by the Company and past experience of its usage, the Company considers that the useful life for respective assets to be appropriate.

Nature of Property, Plant and Equipment	Management estimate of useful Life	Useful life as per Schedule II
Furniture and Fixtures	5 years	5 years
Computers	4 years	3 years
Computers (Servers)	5 years	6 years
Office Equipments	5 years	5 years
Leasehold Improvements	Over the period of lease	Over the period of lease

The Asset costing less than INR 86,000 are depreciated at 100% in the year of Capitalisation. The limit has been revised with effect from 1st July, 2023.

- For these class of assets, based on internal assessment, the useful life as given are believed to best represent the period over which the assets are expected to be used. Hence the useful lives are different from the useful lives as prescribed under Part C of schedule II of the Companies Act, 2013.

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

14. Intangible assets

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use.
- management intends to complete the software and use or sell it.
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits.
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed 36 months from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software- 36 months

Goodwill and Asset Management Right

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Intangible assets purchased are initially measured at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit or loss as incurred. Assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. Indefinite-life intangible assets comprises of Asset Management Rights (AMR) and Goodwill, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the Asset Management Rights. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates. Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

15. Investments in Subsidiaries, Associates and Joint Venture

Investments in Subsidiaries, Associates and Joint Venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

16. Indemnification Asset

Initial recognition :

Indemnification asset is recognised at fair value at the time when the seller contractually agrees to indemnify, in whole or in part, for a particular uncertainty. It is initially measured on the same basis as defined in the agreement, subject to collectability.

Subsequent measurement :

As at each reporting period, the Company re-assesses the indemnification asset that was recognised initially on the same basis as defined in the contract subject to collectability of such asset. The Company derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

17. 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. Trade and other payables are presented as financial liabilities. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

18. Provisions, Contingent Liabilities and Contingent Assets

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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 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.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

19. Employee benefits

Short-term obligations

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

Post employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity and
- defined contribution plans such as provident fund and superannuation fund.

Defined benefit plans (Gratuity)

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

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

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

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

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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

Defined contribution plans

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share based payments/Restricted Share Plan

The Company's certain eligible employees are entitled to Restricted Share Plan (in the form of deferred bonus) as per the Company's policy. As per the schemes, these options/awards vest in a graded manner over an average period of three years. The provision is assessed on a yearly basis. At the end of the tenure, the liability is settled in shares based on the prevailing market value.

Bonus

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

20. Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

21. Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

22. New Fund Offer ('NFO') expenses

Expenses relating to NFO of MF scheme are charged to Statement of Profit and Loss of the company in the year in which these expenses are incurred.

23. Brokerage expenses

Distribution cost in form of brokerage paid to distributors are charged to Statement of Profit and Loss of the Company in the year in which these expenses are incurred. Clawback of such brokerages, if any, is netted off from such distribution costs.

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

24. Fund expenses

Expenses incurred (inclusive of advertisement and brokerage expenses) on behalf of schemes of the Fund are charged to the Statement of Profit and Loss of the Company unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

25. Rounding of amounts

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

Note 2: Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Certain of the Company's accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and may have a material impact on the Company's financial condition, changes in financial condition or results of operations. Critical accounting estimates could also involve estimates where management could have reasonably used another estimate in the current accounting period. estimates where management could have reasonably used another estimate in the current accounting period. The critical policies that involves critical accounting estimates includes provision for current tax, fair valuation of financial instruments, deferred tax realisability, employee benefits related liabilities and business combination. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Interest in other entities

The Company acts as the fund manager for HSBC Mutual Fund, and through its rights as a manager, has a significant involvement in decision-making over the funds' operations and activities. However, fund managers are subject to substantial restrictions under local laws and regulations including regulator's and trustees' oversight. The Company considers its decision-making powers as a fund manager to be held in an 'agent' capacity. The accounting framework provides guidance to apply the agency concept only while assessing whether the fund is a subsidiary of the fund manager. Ind AS 28 does not provide guidance on how to apply the agency concept, while assessing significant influence. Accordingly, the Company assesses significant influence over managed funds by considering voting rights, restrictions etc., as required by Ind AS 28, but excluding decision-making powers held in its capacity as an 'agent' from such assessment, depending on facts and circumstances of each case. Accordingly, it is assessed that there is no significant influence exercised by the company as per Ind AS 28 over Mutual fund schemes that it manages.

The areas involves critical estimates and judgements are:

Current tax assets (net) - Note 8

Deferred tax - Note 30

Measurement of Lease liabilities and Right of Use Asset - Note 11

Key assumptions used in comparable companies method - Note 13

Impairment of Goodwill and Intangible assets - Note 12 & Note 13

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2026 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Indefinite useful life of certain intangible assets - Note 12 & Note 13

Employee benefits related liabilities - Note 16 & Note 19

Fair valuation of financial instruments - Note 31

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

3 Cash and Cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash in hand	-	-
Balances with banks in current accounts*	80	555
Total	80	555

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

4 Bank balance other than Cash and Cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Deposit with Bank*	1,098	1,041
Total	1,098	1,041

*Deposit with Bank is lien marked against the bank guarantee obtained for providing portfolio management services to the Employee State Insurance Commission.

5 Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables from contract with customers - billed	5,185	98
Trade receivables from contract with customers - unbilled ^	10	3,960
Trade receivables from contract with customers - billed - related parties	423	5,226
Trade receivables from contract with customers - unbilled - related parties	1,551	1,827
Less: Impairment loss allowance (Refer note 32b)	(98)	(98)
	7,071	11,013
Break up of security details		
Receivable considered good - unsecured	5,097	3,960
Less: Impairment loss allowance	-	-
	5,097	3,960
Receivable - Credit Impaired	98	98
Less: Impairment loss allowance (Refer note 32b)	(98)	(98)
	-	-
Receivable considered good - unsecured - related parties	1,974	7,053
Less: Impairment loss allowance	-	-
	1,974	7,053
Gross	7,169	11,111
Less: Impairment loss allowance (Refer note 32b)	(98)	(98)
Total	7,071	11,013

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

Ageing of Trade receivables as on March 31, 2026

Description	Unbilled	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
considered good	1,561	5,510	-	-	-	-	7,071
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	98	98
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Gross	1,561	5,510	-	-	-	98	7,169
Less: Impairment loss allowance	-	-	-	-	-	(98)	(98)
Total	1,561	5,510	-	-	-	-	7,071

Ageing of Trade receivables as on March 31, 2025

Description	Unbilled	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
considered good	5,787	3,745	1,481	-	-	-	11,013
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	98	98
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Gross	5,787	3,745	1,481	-	-	98	11,111
Less: Impairment loss allowance	-	-	-	-	-	(98)	(98)
Total	5,787	3,745	1,481	-	-	-	11,013

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

6 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
At Fair Value through Profit or Loss		
Mutual funds units	99,381	65,993
Equity Instruments	465	458
Alternate Investment units	715	683
Total Gross	100,561	67,134
(i) Investments outside India	-	-
(ii) Investments in India	100,561	67,134
Total	100,561	67,134
Less : Impairment loss allowance	-	-
Total Net	100,561	67,134

7 Other Financial Assets

Particulars	As at March 31, 2026	As at March 31, 2025
At Amortised Cost		
Security Deposit	267	253
Total- Gross	267	253
Less: Impairment loss allowance	-	-
Total - Net	267	253
Secured by tangible assets	-	-
Secured by intangible assets	-	-
Covered by Bank/Government Guarantees	-	-
Unsecured	267	253
Total- Gross	267	253
Less: Impairment loss allowance	-	-
Total- Net	267	253
Deposits in India		
Public Sector	-	-
Others	267	253
Total- Gross	267	253
Less: Impairment loss allowance	-	-
Total Net	267	253
Deposits outside India	-	-
Less: Impairment loss allowance	-	-
Total- Net	-	-
Total	267	253

8 Current tax assets (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance Tax, Tax deducted at source (Net of provision for tax of Rs. 28,338 lakhs (Mar 31, 2025 Rs. 19,818 lakhs)	2,588	1,804
Total	2,588	1,804

9 Property, Plant and Equipment

Particulars	Computers	Furniture and Fixtures	Office Equipment	Lease hold improvement	Total
Gross Block (At Cost)					
As at March 31, 2024	2,127	49	35	643	2,854
Additions	270	-	150	171	591
Disposals	-	-	-	-	-
As at March 31, 2025	2,397	49	185	814	3,445
Additions	526	-	31	208	765
Disposals	(30)	-	(11)	-	(41)
As at March 31, 2026	2,893	49	205	1,022	4,169
Depreciation					
As at March 31, 2024	715	12	20	79	826
Depreciation charge during the year	495	8	32	178	713
Disposals	-	-	-	-	-
As at March 31, 2025	1,210	20	52	257	1,539
Depreciation charge during the year	577	9	40	210	836
Disposals	(30)	-	(11)	-	(41)
As at March 31, 2026	1,757	29	81	467	2,334
Net Block					
As at March 31, 2025	1,187	29	133	557	1,906
As at March 31, 2026	1,136	20	124	555	1,835

10 Capital work in progress

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work in progress	-	69
Total	-	69

a) Ageing of Capital work in progress as on 31st March 2026

Particulars	Amounts in capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026					
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at March 31, 2025					
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	To be completed in				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026					
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at March 31, 2025					
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

11 Right-of-use assets

(i) Amount recognised in balance sheet

Particulars	As at March 31, 2026	As at March 31, 2025
A. Gross carrying amount		
Opening gross carrying amount	2,872	2,450
Add: Additions during the year	6	679
Less: Derecognised during the year	(12)	(256)
Closing gross carrying amount (A)	2,866	2,872
B. Accumulated depreciation		
Opening accumulated depreciation	920	351
Add: Depreciation during the year	554	569
Less: Derecognised during the year	(12)	-
Closing accumulated depreciation (B)	1,462	920
Net carrying amount (A) - (B)	1,404	1,952

Lease Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities	1,615	2,111
Total	1,615	2,111

Additions during the year is INR 6 lakhs (Previous year Rs. 679 lakhs)
Total outflow during the year is INR 649lakhs (Previous year Rs. 665 lakhs)

(ii) Amount recognised in statement of profit and loss

Finance Cost

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses on lease liabilities	146	197
Total	146	197

Depreciation and amortization expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on Right-of-use assets	554	569
Total	554	569

(iii) Net debt reconciliation

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	80	555
Liquid investment	82,957	50,424
Lease Liabilities	(1,615)	(2,111)
Total	81,422	48,868

Particulars	Cash and cash equivalents	Lease Liabilities	Liquid investment	Total
Net debt as at 1 April, 2024	621	(2,152)	23,920	22,389
New lease	-	(679)	-	(679)
Cash flow	(66)	665	26,504	27,103
Interest expenses on lease liabilities	-	(197)	-	(197)
De-recognition of lease	-	252	-	252
Net debt as at 31 March, 2025	555	(2,111)	50,424	48,868
New lease	-	(6)	-	(6)
Cash flow	(475)	648	32,533	32,706
Interest expenses on lease liabilities	-	(146)	-	(146)
De-recognition of lease	-	-	-	-
Net debt as at 31 March, 2026	80	(1,615)	82,957	81,422

(iv) Short term lease

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expense relating to short-term leases (included in other expenses)	1,016	1,027
Total	1,016	1,027

12 Goodwill

Particulars	Goodwill
Gross Block (At Cost)	
As at March 31, 2024	108,074
Additions	-
Disposals	-
As at March 31, 2025	108,074
Additions	-
Disposals	-
As at March 31, 2026	108,074
Amortisation	
As at March 31, 2024	-
Amortisation during the year	-
Impairment loss	-
Disposals	-
As at March 31, 2025	-
Amortisation during the year	-
Impairment loss	-
Disposals	-
As at March 31, 2026	-
Net Block	
As at March 31, 2025	108,074
As at March 31, 2026	108,074

13 Other intangible Assets

Particulars	Computer Software	Asset Management Rights	Total
Gross Block (At Cost)			
As at March 31, 2024	298	308,200	308,498
Additions	106	-	106
Disposals	-	-	-
As at March 31, 2025	404	308,200	308,604
Additions	232	-	232
Disposals	-	-	-
As at March 31, 2026	636	308,200	308,836
Amortisation			
As at March 31, 2024	189	-	189
Amortisation during the year	74	-	74
Disposals	-	-	-
As at March 31, 2025	263	-	263
Amortisation during the year	141	-	141
Disposals	-	-	-
As at March 31, 2026	404	-	404
Net Block			
As at March 31, 2025	141	308,200	308,341
As at March 31, 2026	232	308,200	308,432

Intangible Impairment assessment disclosures

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

Significant Cash Generating Units (CGUs)

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

Impairment testing of CGU:

Particular	As at March 31, 2026	As at March 31, 2025
Carrying value of CGU	437,871	410,869
Recoverable amount of CGU #	889,620	558,607

Note

(i) Company has calculated recoverable value based on fair value less cost of disposal.

(ii) Management has used market approach - comparable companies market multiple to measure fair value less cost of disposal as the Management has decided to use observable inputs in the fair valuation process which is in line with the requirements of Indian accounting standard 113

Recoverable amount is determined using fair value as per market approach as stated below

Management has determined the recoverable amount of the CGU by assessing the fair value less cost of disposal (FVLCD) of the underlying assets. The valuation is considered to be Level 2 in the fair value hierarchy due to use of observable inputs such as profit after tax multiple and average asset under management multiple of the comparable companies. Further, the Management has considered a size discount of 10% percent to adjust the multiples calculated based on comparable companies data as described below. No impairment was identified.

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

Observable inputs	Value assigned to key assumption		
	31-Mar-26	31-Mar-25	Approach to determining key assumption
Adjusted PAT to Market Capitalisation Multiple	33.27	23.38	Adjusted profit before tax for non-operating and non-recurring expenses/incomes in order to arrive at Adjusted Profit before tax and then the amount of income tax paid is reduced from Adjusted Profit before tax as derived above to arrive at Adjusted Profit after Tax (PAT).
AUM to Market Capitalisation Multiple	7.88%	5.33%	Adjusted Market Capitalization considering their market price based on WAP over a period of three months ended the Valuation date.
Size discount	10.00%	10.00%	Applied a size discount to capture the impact of size on the multiples

The calculation of fair value less cost of disposal is most sensitive to Adjusted PAT to Market Capitalisation Multiple, AUM to Market Cap Multiple and Size discount

The recoverable amount of the CGU is estimated to exceed the carrying amount of the CGU at 31 March 2026 by Rs.4,51,749 lakhs.

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

Key Assumptions	31-Mar-26		31-Mar-25	
	From	To	From	To
Adjusted PAT to Revenue Multiple	33.27	16.21	23.38	15.82
AUM to Market Cap Multiple	7.88%	3.20%	5.33%	3.45%
Size discount	10%	55.70%	10%	33.80%

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

14 Other non-financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to suppliers	66	156
Service Tax/GST Payment under Protest	2,531	2,531
Prepayments	813	719
Other Receivables	648	650
Plan Assets (refer note 19b)*	717	716
Total	4,775	4,772

*The L&T Employee Gratuity Welfare Trust acquired as part of business combination is in the process of getting transferred in the name of the Company. Plan Assets as at 31 March, 2026 is net off Rs. 265 lakhs (PY Rs.196 lakhs) receivable from the Insurer.

15 Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises - Related Parties (refer note 39)	1,703	729
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,840	4,335
Total	4,543	5,064

Ageing of Trade Payables as on March 31, 2026

Description	Unbilled	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	4,251	292	-	-	-	4,543
Disputed trade payables						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	4,251	292	-	-	-	4,543

Ageing of Trade Payables as on March 31, 2025

Description	Unbilled	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	4,870	187	7	-	-	5,064
Disputed trade payables						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	4,870	187	7	-	-	5,064

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, 2026	As at March 31, 2025
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:	-	-
- Principal amount	-	-
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of the payment made to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

16 Other Financial Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Employee benefits payable (including Restricted Share Plan)	992	769
Income Tax Refund Payable	96	96
Other Financial Liabilities	1	2
Total	1,089	867

17 Current tax liabilities (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Income Tax [Net of advance tax and Tax deducted at source Rs. 1,166 lakhs (March 31, 2025 Rs. 1,166 lakhs)]	6,437	6,389
Total	6,437	6,389

18 Deferred tax liabilities (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Assets		
Depreciation/Amortisation	385	427
Provision for employee benefits	381	234
Bonus payable	213	161
Other	2	4
Lease liability	406	531
	1,387	1,357
Deferred Tax Liabilities		
Right of Use Assets	353	491
Business combination	77,568	77,568
Fair value of financial instruments	2,017	1,267
	79,938	79,326
Net Deferred Tax Liabilities	78,551	77,969

Note: For movement in deferred tax, refer note 30.2

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

19 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for Compensated absences	211	176
Provision for Gratuity (refer note b below)	2,022	1,471
Total	2,233	1,647

The entire amount of the provision of compensated absences Rs. 211 lakhs (March 31, 2025 - Rs. 176 lakhs) is due within 12 months, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

a) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 623 lakhs (March 31, 2025 - Rs.536 lakhs).

b) Defined benefit plans

Gratuity

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

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

Particulars	As at March 31, 2026		
	Present value of obligation	Fair value of plan asset	Net amount
Opening Balance	1,471	716	755
Current service cost	169	-	169
Past service cost - plan amendments	351	-	351
Interest cost/ Interest income	91	44	47
Total amount recognised in Profit and Loss	611	44	567
Return on plan assets greater / (lesser) than discount rate	-	26	(26)
(Gain)/ Loss from change in demographic assumptions	-	-	-
(Gain)/ Loss from change in financial assumptions	(13)	-	(13)
(Gain)/ Loss on account of experience changes	63	-	63
Total amount recognised in Other Comprehensive Income	50	26	24
Employer Contributions	-	-	-
Benefit payments by company	(41)	-	(41)
Benefit paid from plan assets	(69)	(69)	-
Other	-	-	-
Closing Balance	2,022	717	1,305

Particulars	As at March 31, 2025		
	Present value of obligation	Fair value of plan asset	Net amount
Opening Balance	1,307	789	518
Current service cost	151	-	151
Interest cost	86	55	31
Total amount recognised in Profit and Loss	237	55	182
Return on plan assets greater / (lesser) than discount rate	-	10	(10)
(Gain)/ Loss from change in demographic assumptions	-	-	-
(Gain)/ Loss from change in financial assumptions	36	-	36
(Gain)/ Loss on account of experience changes	57	-	57
Total amount recognised in Other Comprehensive Income	93	10	83
Employer Contributions	-	-	-
Benefit payments by company	(28)	-	(28)
Benefit paid from plan assets	(138)	(138)	-
Other	-	-	-
Closing Balance	1,471	716	755

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

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of funded plan liabilities	1,247	935
Fair value of plan assets	(717)	(716)
Plan liability net of plan assets	530	219
Unfunded liabilities	775	536
Deficit before asset ceiling	1,305	755

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employee benefit expense:		
Past service cost	351	-
Current service cost	169	151
Total	520	151
Finance costs	47	31
Net impact on the profit before tax	567	182
Remeasurements of the net defined benefit liability:		
Actuarial (gains)/losses arising from Changes in financial assumption	(13)	36
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes actual return on plan assets less interest on plan asset	(26)	(10)
Actuarial (gains)/losses arising from changes in experience	63	57
Net impact on the other comprehensive income before tax	24	83

- (iii) Defined benefit plan assets

Category of assets	As at March 31, 2026	As at March 31, 2025
- Insurer managed funds	717	716
Total	717	716

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

(iv) Actuarial assumptions

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

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	6.60%	6.40%
Salary escalation rate*	7.00%	7.00%

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

(v) Demographic assumptions

Retirement Age:

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

Particulars	As at March 31, 2026	As at March 31, 2025
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
The Company has four applications which meet the definition of books of accounts. All these	18%	18%

Disability:

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

(vi) Sensitivity

As at March 31, 2026	Change in assumption	Impact on defined benefit obligation	
		if rate Increase	if rate Decrease
Discount rate	50bps	(40)	41
Salary escalation rate	50bps	36	(35)

As at March 31, 2025	Change in assumption	Impact on defined benefit obligation	
		if rate Increase	if rate Decrease
Discount rate	50bps	(30)	31
Salary escalation rate	50bps	31	(30)

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

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

(vii) Expected benefit payments for future years

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

Particulars	As at March 31, 2026	As at March 31, 2025
1st following year	379	262
2nd following year	424	267
3rd following year	394	312
4th following year	328	288
5th following year	332	235
Sum of year 6th to 10th year	1,672	1,086

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

Expected employer contributions for the period ending March 31, 2027 is INR 290 lakhs.

(viii) Risk Exposure

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

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

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

20 Other Non-Financial Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	2,263	1,998
Other payable	1,583	-
Total	3,846	1,998

21 Equity Share capital

Authorised Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2024	5,051,257,920	505,126
Increase during the year	-	-
As at 31 March 2025	5,051,257,920	505,126
Increase during the year	-	-
As at 31 March 2026	5,051,257,920	505,126

Authorised Preference Share Capital

Reserves and Surplus

Particulars	Number of Shares	Amount
As at 31 March 2024	683,300,000	91,100
Increase during the year	-	-
As at 31 March 2025	683,300,000	91,100
Increase during the year	-	-
As at 31 March 2026	683,300,000	91,100

Issued Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2024	344,415,000	34,441
Changes during the year	-	-
As at 31 March 2025	344,415,000	34,441
Changes during the year	-	-
As at 31 March 2026	344,415,000	34,441

Subscribed and paid-up Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2024	344,415,000	34,441
Changes during the year	-	-
As at 31 March 2025	344,415,000	34,441
Changes during the year	-	-
As at 31 March 2026	344,415,000	34,441

Reconciliation of number of Equity Shares

Equity Shares:	As at 31 March 2026		As at 31 March 2025	
Particulars	Number of Equity Shares	Amount	Number of Equity Shares	Amount
Balance as at the beginning of the year	344,415,000	34,441	344,415,000	34,441
Add / less: Movement during the year	-	-	-	-
Balance as at the end of the year	344,415,000	34,441	344,415,000	34,441

Rights, preferences and restrictions attached to the Equity Shares

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

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Shares held by Holding Company:

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

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

344,415,000 (previous year: 344,415,000) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company jointly with its shareholders. Percentage of holding- March 31, 2026: 100% ; March 31, 2025: 100%. There has been no change in Promoter's shareholding.

Details of shareholding of promoters

344,415,000 (previous year: 344,415,000) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company jointly with its shareholders. Percentage of holding- March 31, 2026: 100% ; March 31, 2025: 100%. There has been no change in the promoter shareholding during the current year & previous year.

22 Other Equity

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium	315,470	315,470
Capital Redemption Reserve	900	900
Retained Earnings	87,060	60,058
Total	403,430	376,428

Securities Premium

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	315,470	315,470
Rights issue	-	-
Transaction costs arising on share issues	-	-
Closing balance	315,470	315,470

Capital Redemption Reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	900	900
Changes during the year	-	-
Closing balance	900	900

Retained Earnings

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	60,058	33,787
Add: Profit for the year	27,020	26,333
Items of other comprehensive income recognised directly in Retained Earnings		
- Remeasurement of defined employee benefit plans, net of tax	(18)	(62)
	87,060	60,058

Nature and Purpose of Reserves

Securities Premium:

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

Capital Redemption Reserve:

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

Retained earnings:

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

23 Fees and commission Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Management fees from		
i) Mutual fund operations (net of GST)	54,296	50,816
ii) Portfolio Management Service (net of GST)	1,081	961
iii) Advisory Services	7,439	7,926
Total	62,816	59,703

24 Net gain on fair value changes

Particulars	Reserves and Surplus	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain/(loss) on financial instruments at FVTPL		
On Mutual fund	4,828	4,039
On Equity Instrument	7	6
On Alternate Investment units	36	54
Total	4,871	4,099
Fair value changes:		
Realised	1,541	2,077
Unrealised	3,330	2,022
Total	4,871	4,099
Total	4,871	4,099

25 Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on account of foreign exchange fluctuations (net)	42	91
Interest on income tax refund	474	191
Profit on disposal of property, plant and equipment (net)	1	-
Interest on Fixed deposit	64	46
Miscellaneous income	-	16
Total	581	344

26 Finance Cost

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses on lease liabilities	146	197
Total	146	197

27 Employee Benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages & bonus	14,884	12,693
Contribution to provident and other funds (refer note 19a)	623	536
Gratuity (refer note 19b)	567	182
Compensated absences	62	24
Share based payments (refer note 36 b)	40	36
Staff welfare expense	664	639
Total	16,840	14,110

28 Depreciation and amortization expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	836	713
Amortisation on other intangible asset	141	74
Depreciation on right-of-use assets	554	569
Total	1,531	1,356

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

29 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent & utilities	1,423	1,394
Repairs and maintenance	1,444	1,136
Communication expenses	51	52
Director's fees, allowances and expenses	35	30
Auditor's fees (refer a) below)	49	56
Legal and professional charges	405	495
Insurance	415	478
Donation	20	10
Travelling and conveyance expenses	228	218
Brokerage and incentives	634	551
Compensation, Error & Settlement (refer b) below)	1	51
Scheme related expenses	4	1
Rates and taxes	79	46
Corporate social responsibility (CSR) expenses (refer (c) below)	378	181
Support service charges	5,621	5,267
Business Development	1,497	2,017
Membership and subscription	818	625
Office administration	497	814
Total	13,599	13,422

a) Details of payments to auditors

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
- Statutory audit	49	48
- Other services	-	7
- Reimbursement of expenses*	-	1
Total	49	56

* Below the rounding off norms adopted by the Company.

b) Compensation

The Company incurred Rs.1 lakhs (March 31, 2025 Rs. 51 lakhs) towards compensation paid by the Company to investors / distributors on account of routine processing errors / delays and includes penalties or settlement amount paid to SEBI

c) Contribution for corporate social responsibility (CSR)

- i) Gross amount required to be spent by the Company during the year. Rs. 378 lakhs (Previous year Rs. 181 lakhs)
- ii) Amount approved by the Board to be spent during the year : Rs. 378 lakhs (Previous year Rs. 181 lakhs)
- iii) HSBC Asset Management India Private Limited has proposed to support Sri Shankara Cancer Foundation and Cancer Patients Aid Association basis guidance from CSR team of HSBC, India.

Disclosures in relation to corporate social responsibility expenditure:

Details of CSR Expenditure	For the year ended March 31, 2026	For the year ended March 31, 2025
Amount required to be spent as per Section 135 of the Act	378	181
i) Amount of expenditure incurred		
Contribution to Sri Shankara Cancer Foundation	198	-
Contribution to Cancer Patients Aid Association	180	181
ii) Amount of cumulative shortfall at the end of the year		
iii) Accrual towards unspent obligations (Shortfall) in relation to:		
Ongoing project	-	-
Other than ongoing project	-	-
Total	378	181

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

Balance excess spent as at April 01, 2025	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2026
-	-	-	-

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

Balance unspent as at April 01, 2025	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2026
-	-	378	378	-

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

Financial Year	Balance as at		Amount required to be spent during the year	Amount spent during the year		Balance as at	
	April 01, 2025					March 31, 2026	
	With the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
FY 25-26	-	-	-	-	-	-	-
FY 24-25	-	-	-	-	-	-	-

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

Balance excess spent as at April 01, 2024	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2025
-	-	-	-

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

Balance unspent as at April 01, 2024	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2025
-	-	181	181	-

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

30.1 Income tax expense

Particulars	For the Year ended	
	March 31, 2026	March 31, 2025
Income tax expense		
Current tax on profits for the year	8,520	8,469
Adjustment for current tax of prior periods	24	(36)
MAT Credit (Prior period)		
Total Current tax expense	8,544	8,433
Deferred tax relating to origination and reversal of temporary differences	588	295
Income tax expense	9,132	8,728
Other Comprehensive Income		
Income tax on Actuarial Gain/(Loss)	(6)	(21)

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

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by company's tax rate for the years ended 31 March 2026 and 31 March 2025 is as follows:

Particulars	For the Year ended	
	March 31, 2026	March 31, 2025
Accounting profit before tax	36,152	35,061
At statutory income tax rate of 25.168%* (As at March 31, 2025 - 25.168%)	9,099	8,824
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Share based payments	10	9
- Corporate social responsibility (CSR) expenses	95	46
- Loss on amalgamation	-	-
- Donations	5	3
- Share acquisition related expenses	-	-
Adjustment for current tax of prior periods	24	(36)
MAT credit written off	-	-
Adjustment for deferred tax on account of amalgamation of subsidiary	-	-
Capital gain on sale of investment	26	70
Deferred tax on account of different tax rates/change in tax rate	(127)	(195)
Other	-	7
Income tax expense reported in the Statement of Profit and Loss	9,132	8,728

30.2 Deferred tax

Particulars	As at March 31, 2024	Movement in Profit and Loss [Debit/ (Credit)]	As at March 31, 2025	Movement in Profit and Loss [Debit/ (Credit)]	As at March 31, 2026
Deferred tax Assets					
Provision for employee benefits	177	57	234	146	381
Bonus payable	153	8	161	52	213
Depreciation/Amortisation	559	(132)	427	(42)	385
Others	5	(1)	4	(2)	2
Lease Liability	541	(10)	531	(125)	406
	1,435	(78)	1,357	29	1,387
Deferred tax Liabilities					
Right of Use Assets	528	(37)	491	(138)	353
Fair value of financial instruments through P&L	1,013	254	1,267	750	2,017
Asset Management Rights	77,568	-	77,568	-	77,568
	79,109	217	79,326	611	79,938
Net Deferred Tax Liability	77,674	295	77,969	582	78,551

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

31 Fair value measurement

a) Financial Instruments by category

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

Particulars	As at March 31, 2026			As at March 31, 2025		
	Fair value through profit or loss	Fair value through OCI	Amortised cost	Fair value through profit or loss	Fair value through OCI	Amortised cost
Financial assets:						
Cash and cash equivalents	-	-	80	-	-	555
Bank Balance other than Cash and Cash equivalents	-	-	1,098	-	-	1,041
Trade receivables	-	-	7,071	-	-	11,013
Investments:						
- Mutual fund units	99,381	-	-	65,993	-	-
- Equity instruments	465	-	-	458	-	-
- Alternate Investment funds	715	-	-	683	-	-
Other financial assets:						
-Security deposits	-	-	267	-	-	253
Total financial assets	100,561	-	8,516	67,134	-	12,862
Financial liabilities:						
Trade payables	-	-	4,543	-	-	5,064
Other financial liabilities	-	-	1,089	-	-	867
Lease liabilities	-	-	1,615	-	-	2,111
Total financial liabilities	-	-	7,247	-	-	8,042

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

b) Fair value hierarchy

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

As at March 31, 2026

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Mutual fund units	6	99,381	-	-	99,381
- Equity Instruments	6	-	-	465	465
- Alternate Investment funds	6	715	-	-	715
Total financial assets		100,096	-	465	100,561

As at March 31, 2025

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Mutual fund units	6	65,993	-	-	65,993
- Equity Instruments	6	-	-	458	458
- Alternate Investment funds	6	683	-	-	683
Total financial assets		66,676	-	458	67,134

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

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

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

The hierarchies used are as follows:

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

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

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

Fair Value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2026 and 31 March 2025:

Particulars	Unlisted equity securities	Total
As at 01 April, 2024	452	452
Acquisitions	-	-
Gain/(Losses) recognised in statement of Profit & Loss	6	6
As at 31 March, 2025	458	458
Acquisitions	-	-
Gain/(Losses) recognised in statement of Profit & Loss	7	7
As at 31 March, 2026	465	465

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

c) Valuation technique used to determine fair value

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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

d) Valuation inputs and relationships to fair value

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

Particulars	Fair value as at		Significant unobservable inputs	Impact on profit after tax and equity
	31-Mar-26	31-Mar-25		
Unquoted Equity Shares				
AMC Repo Clearing Limited	407	408	Net assets value	Increase in net asset value by 1% would increase the value by INR 4.06 lakhs and decrease in 1% would decrease the value by INR 4.06 lakhs.
MF Utilities Private Limited	58	50	Risk adjusted discount rate	Discount rate of 12.99% is used to derive at the valuation. If the discount rate increase by 1% would lead to decrease in the fair value by INR 4.55 lakhs and decrease in discount rate by 1% would increase in the fair value by INR 5.60 lakhs.
	465	458		

Valuation Process for above

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

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

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

32 Financial risk management

Introduction

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

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

a) Market risk

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

i) Foreign exchange risk

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

Unhedged Foreign Currency net exposure (INR equivalent)

As at March 31, 2026						
	GBP	HKD	USD	EUR	JPY	Total
Trade receivables	-	-	657	62	1,255	1,974
Trade payables	(851)	(632)	(60)	-	-	(1,543)
Total net exposure	(851)	(632)	597	62	1,255	431

As at March 31, 2025						
	GBP	HKD	USD	EUR	JPY	Total
Trade receivables	-	-	5,636	56	1,361	7,053
Trade payables	(378)	(322)	(37)	-	-	(737)
Total net exposure	(378)	(322)	5,599	56	1,361	6,316

Particulars	Impact on profit after tax and equity	
	March 31, 2026	March 31, 2025
Rupees – Strengthen 5%	(16)	(236)
Rupees – Weakens 5%	16	236

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

ii) Interest rate risk

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

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

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

Particulars	Impact on profit after tax and equity	
	March 31, 2026	March 31, 2025
Interest rate – Increase 0.5% (2025 – 0.5%)	(332)	(208)
Interest rate – Decrease 0.5% (2025 – 0.5%)	332	208

iii) Price Risk

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

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had changed by 2.04% (2025 -18.29%) with all other variables held constant, and that all the Company's investments moved in line with the index.

Particulars	Impact on profit after tax and equity	
	March 31, 2026	March 31, 2025
NSE Nifty 50 – Increase 2.04% (2025 – 18.29%)	179	1,512
NSE Nifty 50 – Decrease 2.04% (2025 – 18.29%)	(179)	(1,512)

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

b) Credit Risk

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

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

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

Receivables have been considered to enjoy the low credit risk as they meet the following criteria:

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

The Company has placed security deposit with lessors for premises leased by the Company at various locations in India as at March 31, 2026 of Rs. 267 lakhs and March 31, 2025 of Rs. 253 lakhs. the Company does not perceive any significant decline in credit risk of the lessors where the amount of security deposit is material and hence expected probability of default is considered as zero.

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

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

Particulars	Trade Receivables
Loss allowance on March 31, 2024	98
Changes in loss allowance	-
Loss allowance on March 31, 2025	98
Changes in loss allowance	-
Loss allowance on March 31, 2026	98

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

Particulars	As at March 31, 2026	As at March 31, 2025
Security Deposits	267	253
Receivables	7,071	11,013
Cash and cash equivalents	80	555

c) Liquidity risk

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

As at March 31, 2026	Less than 3 months	3 months to 1 year	1 year to 5 years	5 years and beyond	Total
Trade payables	4,543	-	-	-	4,543
Other financial liabilities	194	895	-	-	1,089
Lease Liabilities	166	497	952	-	1,615
Total	4,903	1,392	952	-	7,247

As at March 31, 2025	Less than 3 months	3 months to 1 year	1 year to 5 years	5 years and beyond	Total
Trade payables	5,064	-	-	-	5,064
Other financial liabilities	186	681	-	-	867
Lease Liabilities	174	518	1,755	69	2,516
Total	5,424	1,199	1,755	69	8,447

33 Capital Management

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

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

34 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, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	80	-	80	555	-	555
Bank balance other than Cash and Cash equivalents	-	1,098	1,098	-	1,041	1,041
Trade receivables	7,071	-	7,071	11,013	-	11,013
Other financial assets	-	267	267	-	253	253
Investments	82,957	17,604	100,561	50,424	16,710	67,134
Non-financial assets						
Current tax assets (Net)	-	2,588	2,588	-	1,804	1,804
Property, plant and equipment	-	1,835	1,835	-	1,906	1,906
Capital work in progress	-	-	-	-	69	69
Right-of-use assets	-	1,404	1,404	-	1,952	1,952
Other intangible assets	-	308,432	308,432	-	308,341	308,341
Goodwill	-	108,074	108,074	-	108,074	108,074
Other non-financial assets	1,527	3,248	4,775	1,525	3,247	4,771
Total assets	91,635	444,550	536,185	63,517	443,397	506,914

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,543	-	4,543	5,064	-	5,064
Lease Liabilities	663	952	1,615	613	1,498	2,111
Other financial liabilities	1,089	-	1,089	867	-	867
Non-financial Liabilities						
Current tax liabilities (Net)	6,437	-	6,437	6,389	-	6,389
Provisions	211	2,022	2,233	176	1,471	1,647
Deferred tax liabilities (Net)	-	78,551	78,551	-	77,969	77,969
Other non-financial liabilities	2,263	1,583	3,846	1,998	-	1,998
Total liabilities	15,206	83,108	98,314	15,107	80,938	96,045

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

35 Contingent Liabilities

- a) Direct tax matters disputed by the Company are Rs. 2,326 lakhs (March 31, 2025 : Rs. 600 lakhs)
b) Indirect tax matters disputed by the Company are Rs. 15,601 lakhs (March 31, 2025 : Rs. 15,825 lakhs)

36 Employee share based payments

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

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

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	Number of shares	Number of shares
Outstanding at the beginning of period	2,706	6,005
Granted	505	917
Exercised		
Released	(2,212)	(4,047)
Cancelled	(13)	(155)
Forfeited	(18)	(14)
Outstanding at the end of period	968	2,706

b) Expense arising from share-based payment transactions

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
HSBC Asset Management (India) Private Limited - Employees share based payment scheme (equity settled)	40	36
Total	40	36

37 Earnings per equity share

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Basic & Diluted earnings per share		
Net profit / loss after tax available for equity shareholders (A)	27,020	26,333
Weighted average number of equity shares outstanding for basic and diluted EPS (B)	344,415,000	344,415,000
Basic and Diluted earnings per share (A) / (B)	7.85	7.65
Nominal value per share	10	10

38 Investment in unconsolidated structured entities

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

The company does not have any interest in unconsolidated structured entities during the FY 2025-26.

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

39 Related party disclosures

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

Names of related parties and nature of relationship

1 Holding Company

HSBC Securities and Capital Markets (India) Private Limited

2 Ultimate Holding Company

HSBC Holdings PLC

3 Intermediate Holding Companies

HSBC Finance (Netherlands Ltd)

HSBC Holdings B.V.

HSBC Investment Bank Holdings B.V.

4 Fellow subsidiaries

The Hong Kong and Shanghai Banking Corporation Limited - India Branches

HSBC Global Asset Management (Hong Kong) Limited

HSBC Software Development (India) Private Limited

HSBC Electronic Data Processing (India) Private Limited

HSBC Global Asset Management Limited

The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong

HSBC Global Asset Management (Singapore) Limited

HSBC Group Management Services Limited

HSBC Global Services (Hong Kong) Limited

HSBC Electronic Data Processing (Philippines), Inc.

HSBC Global Services (UK) Limited

HSBC Trustees (India) Private Limited (w.e.f 09 January, 2024)

5 Key management personnel

Mr. Kailash Kulkarni (CEO & Director)

Dr. Indu Shahani (Non Executive Director)

Mr. Kapil Seth (Non Executive Director) (appointed w.e.f. 20 September, 2023)

Mrs. Roopa Varma (Non Executive Director) (appointed w.e.f. 20 September, 2023)

(i) Transactions during the year are as under:

Particulars	with Holding company	with Ultimate Holding company	with Subsidiary company	with fellow Subsidiaries	with Key Management Personnel
Advisory fees	-	-	-	7,439	-
	-	-	-	(7,926)	-
Interest Income	-	-	-	64	-
	-	-	-	(46)	-
Managerial Remuneration ^	-	-	-	-	530
	-	-	-	-	(495)
Director's Sitting Fees	-	-	-	-	35
	-	-	-	-	(30)
Professional Fees and Expenses	-	-	-	-	-
	-	-	-	(4)	-
Share Based payment	-	40	-	-	-
	-	(36)	-	-	-
Support service charges	7	-	-	3,203	-
	-	-	-	(3,081)	-
Rent	-	-	-	955	-
	-	-	-	(1,014)	-
IT support services	-	-	-	1,647	-
	-	-	-	(1,332)	-
Bank and Guarantee charges	-	-	-	4	-
	-	-	-	(18)	-
Brokerage and incentives	-	-	-	614	-
	-	-	-	(535)	-
Reimbursement of expense	-	-	-	-	-
	-	-	-	(6)	-
Recovery of expense	-	-	-	10	-
	-	-	-	(2)	-

Amounts in brackets represents amount relating to previous year

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Key managerial remuneration compensation

Particulars	31-Mar-26	31-Mar-25
Short-term employee benefits	530	495
Post-employment benefits	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	-	-
Total	530	495

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

Particulars	with Holding companies	with Ultimate Holding companies	with Subsidiary company	with fellow Subsidiaries	with Key Management Personnel
Assets					
Advisory fees receivable					
31-Mar-26	-	-	-	1,974	-
31-Mar-25	-	-	-	(7,053)	-
Balances with banks					
31-Mar-26	-	-	-	49	-
31-Mar-25	-	-	-	(525)	-
Bank balance other than Cash and Cash equivalents					
31-Mar-26	-	-	-	1,098	-
31-Mar-25	-	-	-	(1,041)	-
Liabilities					
Trade Payables					
31-Mar-26	2	-	-	1,701	-
31-Mar-25	-	-	-	(729)	-
Other financial liabilities					
31-Mar-26	-	58	-	-	-
31-Mar-25	-	(46)	-	-	-

40 Segment information

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

a) Segment revenue

The Company is in the business of providing asset management services to HSBC Mutual fund and Portfolio management & advisory services to clients. The primary segment is identified as asset management services. As such, the Company's financial statements are largely reflective of the asset management business and accordingly there are no separate reportable segments as per Ind AS 108, Operating Segment.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Segment revenue		
- India	55,377	51,777
- Outside India	7,439	7,926
Total	62,816	59,703

b) All assets of the company are domiciled in India.

c) Information about revenue from major customers

Particulars	As at March 31, 2026	As at March 31, 2025
Revenue from HSBC Mutual fund	54,296	50,816

41 Networth Compliance

As at 31 March, 2026

The net-worth of the Company as at March 31, 2026 is Rs. 96,912 lakhs (March 31, 2025 is Rs. 69,962 lakhs). While computing the net-worth, the intangibles (Asset Management Rights (AMR) recognized as part of the business combination) have been netted off with the associated deferred tax liability (DTL) of Rs. 77,568 lakhs. The Company had made a detailed written representation to SEBI, to take cognizance of the net-worth computation of the Company as per this approach including appropriate mitigation measures to be taken by the Company, if requested by SEBI, to meet the minimum net-worth requirements vide its letter dated September 20, 2023. SEBI had taken our submission on record vide its letter dated September 26, 2023.

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

42 Additional Regulatory Information required by Schedule III

(i) Details of benami property held

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

(ii) Borrowing secured against current assets

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

(iii) Wilful Defaulter

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

(iv) Relationship with struck off Companies

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

(v) Compliance with number of layers of companies

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

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

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

(vii) Utilisation of Borrowed funds and Share premium

- A The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- B The group has not received any funds from any person or entity, including foreign entities ("funding party") with the understanding, whether recorded in writing or otherwise that the group shall:
- directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behave of the ultimate beneficiaries.

(viii) Undisclosed Income

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

(ix) Details of crypto currency of virtual currency

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

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

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

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

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

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

The Company has registered for charge of INR 10 crores with Ministry of Corporate Affairs.

(xiii) Loans or advances to any key management personnel

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

(xiv) Financial Ratios

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2026(Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

(xv) Audit Trail

The Company has four applications which meet the definition of books of accounts. All these applications have a feature of recording audit trail (edit log) facility. This has operated throughout the year for all transactions recorded in these applications. In respect of two applications, at a database level the audit trail does not contain the pre-modified values i.e. old value and new value of the changes made to the masters/transactions. Access to inscope databases is controlled via privilege access management tool – "Total Privilege Access Management Tool" (TPAM) and access is granted on need basis only which is controlled through the access management process of the Company. All activities performed on databases are recorded through privilege session monitoring via IBM Guardium. In addition, while the backend update in this database is not frequent, the Guardium logs capture the details around user who got the access, the query executed by the user and date of execution. The Guardium logs are reviewed by a Central team and in case any discrepancies are noted then appropriate steps are initiated per the policy and process of the company.

Based on the factors above, the Company has established and maintained an adequate internal control framework and based on its assessment, believes that there is no impact of this on the financial statements as on March 31, 2026.

For M S K A & Associates LLP
Firm Registration No: 105047W

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

Swapnil Kale
Partner
Membership No: 117812

Dr. Indu Shahani
Director
DIN No: 00112289

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sneha Shetty
Company Secretary
ACS 32038

Place: Mumbai
Date: July 16, 2026

Place: Mumbai
Date: July 16, 2026