

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Members

HSBC Asset Management (India) Private Limited

The Board of Directors of HSBC Asset Management (India) Private Limited (the Company / AMIN) take pleasure in presenting their 23rd (Twenty Third) Annual Report on the business and operations of your Company, together with the audited financial statements of the Company for the financial year ended (FY) 31 March 2025.

BACKGROUND

AMIN is registered as the Asset Management Company as defined under regulation of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the Regulations'). The Company is 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 CAGR of 20% during last the last 10 years, from ₹10.8 trillion in March 2015 to ₹65.7 trillion in March 2025. The number of unique investors in mutual funds witnessed a staggering increase and more than doubled to 53 million in March 2025 from 21 million in March 2020, with a significant chunk of new investors onboarding the mutual fund train. The systematic investment plan (SIP) contribution has grown nearly threefold, from ₹86,410 million in March 2020 to ₹259,260 million in March 2025. The confidence shown in the Indian markets by the domestic investors and foreign investors alike 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 through the uncertainties with resilience. The number of accounts (folios as per mutual fund parlance) stood at around 235 million out of which retail folios accounted for 91.7%. The number of folios grew by more than 1.5 times since March 2020 indicating that the investors have matured over time and steadily increased their trust in mutual funds.

The growth in the AUM and folios have happened not only due to the lumpsum investments but also SIPs which have become the cornerstone for investing in mutual funds for many Indian investors. As of March 2025, SIP contribution stood at ₹259,260 million on a monthly basis as compared to ₹192,710 million in March 2024, a growth of 35% year on year.

Individual investors, including high-net-worth individuals, retail investors and non-resident Indians (NRIs), hold 63.2% of the total industry AUM (₹65.7 trillion) which is consistent with the previous year's trend (63.4%).

We see a shift towards more aggressive investment strategies, particularly among younger investors, whereas older investors prioritise risk management through diversification. Data shows that around 47% of investors having less than 25 years of age invested into pure equity funds

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

during the FY 2024 - 25. This can be largely attributed to the participation of Gen-Z and millennial investors into mutual funds.

In case of Portfolio Management Services (PMS), as of the end of March 2025, the total AUM stood at ₹37.8 trillion. This is an increase of around 14% from ₹33.2 trillion reported at the end of March 2024.

India's mutual fund AUM – to - GDP ratio has reached an all-time high of 19.9% of GDP as of March 2025. 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 diverse investor base reflects the growing confidence of the 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 domestic investors support and trust, the mutual fund industry is poised for a multi-fold growth in coming years.

FINANCIAL RESULTS

The FY 2024 – 25 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 reasonably present the Company's state of affairs, profits and cash flows for the year ended 31 March 2025.

The performance of the Company during the FY 2024 - 25 is summarized below:

Particulars	(₹ in millions)	
	2024 - 25	2023 - 24
Total Income	6,415	5,113
Total Expenses	2,90	2,739
Profit / (Loss) before Tax and exceptional Item	3,506	2,374
Exceptional Items	-	-
Profit / (Loss) before Tax	3,506	2,374
Provision for Tax (including Current, Deferred and MAT)	879	443
Profit / (Loss) after Tax	2,633	1,931
Other Comprehensive Income (Net of Tax)	(6)	3
Total Comprehensive Income for the year	2,627	1,934

DIVIDEND

The Directors do not recommend any dividend for the FY 2024 - 25.

SHARE CAPITAL

Equity shares

The total paid up equity share capital of the Company as on 31 March 2025 was ₹ 3,44,41,50,000 (Rupees Three Thousand Forty - Four Crores Forty - One Lakhs 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

Your Company does not propose to transfer any amount to reserves. An amount of ₹ 2,627 million is proposed to be retained in the Profit and Loss.

OPERATIONS & OUTLOOK

The mutual fund industry registered a growth of 21% with quarterly average AUM for March 2025 quarter at ₹66.7 trillion in comparison to ₹55 trillion for quarter ending March 2024. Your Company's quarterly average AUM stood at ₹1.24 trillion and is the 14th largest fund house in the country.

The number of schemes managed by your Company as on 31 March 2025 stood at 45 Funds comprising of 17 Equity Funds including 2 Equity Index Funds, 15 Debt Funds including 2 Debt Index Funds, 6 Hybrid Funds and 7 Fund of Funds. Your Company's footprint was spread across 64 locations catering to 61,000+ Mutual Fund Distributors (MFDs) and established digital platforms. Your Company provided mutual fund services to around 2.6 million customers across the country during the FY 2024 - 25.

The AUM under advisory to offshore funds stood at USD 5.5 billion as on 31 March 2025, which saw a growth of around 14% in comparison to USD 4.8 billion as on 31 March 2024 showing the increasing confidence of global investors in Indian economy and markets.

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 grow AUM. AMIN strengthened its digital offerings and revamped 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 substantial number of new scheme launches in thematic space due to filling up of categories prescribed as per SEBI categorization circular. SEBI has allowed a new asset class viz. Specialised Investment Fund (SIF) for investors with high-risk appetite. Going forward, the expectation is that the launches will increase in passive, sectoral and thematic space in mutual funds while there will be launches of SIFs 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 India Export Opportunities Fund	05 September 2024	17,529.77
2	HSBC Financial Services Fund	06 February 2025	5,034.95

As on 31 March 2025 the HSBC Mutual Fund had AUM of ₹ 1,157,194 million under schemes of HSBC Mutual Fund as against the AUM of ₹ 1,033,886 million in the previous year and ₹ 823,437 million under HSBC Mutual Fund advisory mandate as against ₹ 402,259 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, fund of funds among others.

The mandate with ESIC started from 14 February 2025 month onwards, hence considered in the AUM for March 2025. As of 31 March 2025, AUM ₹ 1,52,850.47 in million (ESIC ₹147,727.47 million & PMS Equity ₹ 5,123.00 million)

The Company has an AUM of about ₹ 1,52,850.47 million as on 31 March 2025 as against ₹ 4,231.18 million as on 31 March 2024.

OPPORTUNITIES AND THREATS

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

INVESTOR SERVICES

The number of official points of acceptance of transactions of your Company is in 211 locations. In addition to the offices of the Registrar & Transfer agents, your Company has its own office in 62 locations and Investor Service Centres in 53 locations. Your 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 59,568 as on 31 March 2025 as against 58,027 as on 31 March 2024. The number of registered investment advisors (RIA) empanelled are 517 as on 31 March 2025. 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 167 and RIA channel partners to 21.

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

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 2024 - 25 will be available on the Company's website at www.assetmanagement.hsbc.co.in.

BOARD MEETINGS

During the FY 2024 - 25, 5 (Five) meetings of the Board of Directors of the Company were held i.e. on 29 April 2024, 08 July 2024, 28 October 2024, 13 January 2025 and 24 February 2025.

The details of the attendance of each Director at the Board Meeting(s) held during the financial year under review and at the previous Annual General Meeting ("AGM") of the Members of the Company held on 30 July 2024 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 Clause 6.7E of the SEBI Master Circular for Mutual Funds dated 27 June 2024 ('SEBI Master Circular'), the Board of Directors of your Company and the Board of Directors of HSBC Trustees (India) Private Limited met on 26 November 2024 to discuss the 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 of Dr. Indu Shahani, Mr. Kailash Kulkarni and Ms. Roopa Varma as on 31 March 2025.

Your 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. Your Company has taken dynamic CSR activities and touched hundreds of lives.

During the FY 2024 - 25, your Company spent on the below mentioned project in order to comply with the requirement of the Act.

Organisation	Programme Title	Amount in ₹ spent in CSR activities
Cancer Patients Aid Association	Supporting cancer patients with financial assistance	18,100,000

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

		(Rupees One Crore Eighty-One Lakh only)
--	--	---

During the FY 2024 - 25, the CSR committee met on 19 August 2024 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, Directors of the Company hereby confirm that:

- i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- ii. 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 2025 and of the profit of the Company for the year ended on that date;
- iii. 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;
- iv. that the annual accounts have been prepared on a 'going concern' basis; and
- v. 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, investments, guarantees, and security in respect of provisions of sections 185 and 186 of the Companies Act, 2013.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the FY 2024 - 25, all transactions entered into by the Company with related parties were in ordinary course of business and at 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 financial services industry and has core business of fund management services. Also, the Company is an asset management company to HSBC Mutual Fund and also provides portfolio management services. Hence, it does not consume high levels of energy. 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 not relevant to the Company's activities.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company incurred expenditure of INR 401.80 million [Previous year INR 203.20 million] in foreign exchange and earned INR 792.62 million [Previous year INR 446.89 million] in foreign exchange.

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

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

Your Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation and intimidation. Accordingly, your 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 complains received during the year is provided below:

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

*This was disposed off within the stipulated timelines

RISK MANAGEMENT FRAMEWORK

HSBC Risk Management Framework ("RMF") which is under pinned 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 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. Your 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 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.

1st Line: comprises predominantly management of businesses who are accountable and responsible for their day to day activities and processes, their management of risks arising and the controls to mitigate those risks.

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

2nd 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.

3rd 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, 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 to monitor their implementation. In this regard, the AMIN RMM reviews the material risks affecting 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 Front Office Management Committee, Product Committee, Technology Committee, Pricing & Valuation Committee and chairs the AMIN RMM.

RISK MANAGEMENT COMMITTEE

To comply with the requirements of the Regulations and in accordance with the clause 4.1 of the SEBI Master Circular outlining the updated Risk Management Framework for Mutual Funds, the Risk Management Committee (RMC) was constituted by the Board of Directors of your Company. The RMC reports to the Board of Directors and the Company and Chief Risk Officer shall report to the RMC and attend each meeting. The details of RMC as of 31 March 2025 are as follows:

Sl. No.	Name of Members	Designation
1	Dr. Indu Shahani	Member
2	Mr. Kapil Seth	Member
3	Ms. Roopa Varma	Member

During the FY 2024 - 25, 4 (four) RMC Meetings were held on 29 April 2024, 08 July 2024, 28 October 2024 and 24 February 2025. The status of attendance of the Committee Members at these Committee Meetings is as follows:

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 Committee. The scope of the RMC is to provide oversight, governance, recommendations and advice on all matters related to the risk

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

management framework rolled out in Company under the SEBI circular and is expected to meet quarterly.

AUDIT COMMITTEE

In order to comply with the requirements of Clause 6.1 of SEBI Master Circular. Your Company has constituted an Audit Committee of the Board of Directors of the Company. The role, responsibility, membership and other terms of reference of the Audit committee are prescribed under the said clause. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The details of the Audit Committee as of 31 March 2025 are as follows:

Sl. No.	Name of Member	Designation
1	Dr. Indu Shahani	Member
2	Mr. Kapil Seth	Member
3	Ms. Roopa Varma	Member

During FY 2024 - 25, 5 (five) Meetings of the Audit Committee were held i.e. on 29 April 2024, 08 July 2024, 28 October 2024, 13 January 2025 and 24 February 2025. The details of participation of the Members at the Meetings of the Committee held during FY 2024 - 25 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	4

During the year under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee. The Clause 6.1.2.5.II.j of 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 26 November 2024, the Audit Committee Members of your Company met with the Audit Committee of HSBC Trustees (India) Private Limited. 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 Regulation 25 (24) of the Regulations, as notified under SEBI Mutual Funds (Amendment) Regulations, 2023, read with Clause 6.7c of SEBI Master Circular 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. The details of the UHPC as at 31 March 2025 are as follows:

Sl. No.	Name of Member	Designation
1	Dr. Indu Shahani	Member
2	Mr. Kapil Seth	Member
3	Ms. Roopa Varma	Member

During FY 2024 - 25, 4 (four) UHPC Meetings were held on 29 April 2024, 08 July 2024, 28 October 2024 and 24 February 2025. The status of attendance of the Committee Members at these Committee Meetings is as follows:

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 states that the Independent Directors of the AMC should be atleast 50% of the total board strength. Hence, the Board of Directors of the Company comprises minimum 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 is 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
22 nd	Annual General Meeting	Tuesday, 30 July 24	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.

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

AUDITORS

Pursuant to section 139 and 141 of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014, as amended from time to time, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. F012754N/N500016) (PWC), Mumbai, had been re-appointed as Auditors of the Company at the 18th Annual General Meeting (AGM) held on 22 September 2020, for a period of five consecutive years i.e. for the 2nd term of 5 years commencing from conclusion of 18th AGM to the conclusion of 23rd AGM. The term of office of Statutory Auditors shall end at the ensuing AGM.

The Board of Directors recommends the appointment of M S K A & Associates, Chartered Accountants, (Firm Registration No. 105047W/117812) as the Statutory Auditor of the Company for a further term of five years, from the conclusion of 23rd Annual General Meeting of the Company till the conclusion of the Annual General Meeting to be held for the financial year 2029 – 2030, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The Auditor has provided consent and a certificate confirming their eligibility for appointment as per the provisions of the Act.

COST RECORDS

As your Company is not a manufacturing company, the provisions of maintenance of the cost records are not required to be maintained and Cost Audit as prescribed under Section 148 of the Act is not applicable to the Company.

VALUATION

AMIN is governed by Indian Accounting Standard (Ind AS) and Ind AS requires all entities to ensure that its 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 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 CGU as of March 31, 2025 as the recoverable amount of CGU is higher than the carrying value of CGU.

SECRETARIAL STANDARDS

Your 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 to maintain the trust and confidence of its stakeholders and the reputation of the Company. To ensure transparency, fairness and objectivity in the organisation's functioning

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

and 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 the 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 the accounting records, and the timely preparation of the 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 was no adverse observations received from Statutory or Internal auditors of the Company for inadequacy of such controls.

COMMENTS ON AUDITOR'S REPORT

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

FRAUDS REPORTED BY AUDITORS

The Auditors have not reported any offence of fraud which is being or has been committed in your 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 on 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.

Your Company appointed M/s M.P. Chitale, Chartered Accountants as internal auditors of the Company for the FY 2024 - 25.

MATERIAL CHANGES COMMITMENTS

During the FY 2024 - 25, there has been no material changes in the Company.

CHANGE IN THE NATURE OF BUSINESS

During the FY 2024 - 25, there has been no change in the nature of the business of your Company.

VIGIL MECHANISM

Your 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)

Your Company was not required to make any transfer of dividend or shares to IEPF for the FY 2024 - 25.

HUMAN RESOURCES

Your Company recognizes people as its most valuable asset, and it has built an open and transparent culture to nurture this asset. Your Company had 472 permanent employees with Female – 167, Male – 305 and Transgender - 0 as on 31 March 2025.

The Company is in compliance with the provisions of the Maternity Benefit Act, 1961 during the FY 2024-25.

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 2024 - 25.

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

Your Company maintained cordial relationships with regulatory authorities, financial institutions, banks and investors during the year under review. Your directors are grateful for the support extended by various partners and other business associates and look forward to receiving their continued support and encouragement. Your 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 2025

ANNEXURE – A**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)

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

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.

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

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)

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

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) - ₹ 902,547,337
 - (b) Two percent of average net profit of the company as per section 135(5) - ₹ 18,050,947
 - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil
 - (d) Amount required to be set off for the financial year, if any - Nil
 - (e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ 18,050,947

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

- 6) (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - ₹ 18,100,000
- (b) Amount spent in Administrative Overheads - Nil
- (c) Amount spent on Impact Assessment, if applicable - Nil
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 18,100,000

(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.
₹ 18,100,000	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)	18,050,947

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

(ii)	Total amount spent for the Financial Year	18,100,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	49,053
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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, applicable if	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

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

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of HSBC Asset Management (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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 and other explanatory information .
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Price Waterhouse Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park, Nesco Complex, Gate No. 3 Western Express Highway, Goregaon East, Mumbai - 400 063
T: +91 (22) 61197810

Registered office and Head office: 11-A, Vishnu Digambar Marg, Sucheta Bhawan, New Delhi - 110002

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

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

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

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

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

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

are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the the Companies (Audit and Auditors) Rules, 2014 (as amended).

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

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

- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements.
 - ii. The Company has made provision as at March 31, 2025, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts. - Refer Note 5 to the financial statements. The Company did not have any derivative contracts as at March 31, 2025.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 42(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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42(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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.

Based on our examination, which included test checks, the Company has used three accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except in respect of the one accounting software, the audit trail feature was not enabled at the database level to log any direct data changes and in respect of the one accounting software the audit trail feature was not enabled at the database level to log any direct data changes for the period April 1, 2024 to March 17, 2025. During the course of performing our procedures except for the aforesaid

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

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

instances, we did not notice any instance of audit trail feature being tampered with or not preserved by the Company as per the statutory requirements for record retention.

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

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

Sd/-
Ketan Asher
Partner
Membership Number: 113522
UDIN: 25113522BMKYXO2122
Place: Mumbai
Date: July 16, 2025

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements as of and for the year ended March 31, 2025
Page 1 of 2

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

1. We have audited the internal financial controls with reference to financial statements of HSBC Asset Management (India) Private Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements as of and for the year ended March 31, 2025
Page 2 of 2

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Sd/-
Ketan Asher
Partner
Membership Number: 113522
UDIN: 25113522BMKYXO2122
Place : Mumbai
Date : July 16, 2025

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2025

Page 1 of 5

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

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

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties (Refer Note 42(xi) to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise.
- (e) No proceedings have been initiated on against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. During the year the Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 or Section 186 and accordingly, the provisions of Clause 3(iv) of the Order, to this extent, are not applicable to the Company.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2025

Page 2 of 5

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, income tax, service tax and cess, with the appropriate authorities.
- (b) There are no statutory dues of provident fund, professional tax and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2025 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending	Remarks if any
The Income Tax Act, 1961	Income Tax	542	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	9.17	Financial Year 2013-14	Assistant Commissioner of Income Tax	Amount paid under protest Rs. 1.8 lakhs
The Income Tax Act, 1961	Income Tax	58	Financial Year 2020-21	Commissioner of Income Tax (Appeals)	None
Service Tax Laws	Service Tax	225	October 2010 to October 2012	The Commissioner of Central Excise (Appeals)	Amount paid under protest Rs. 11 lakhs
Service Tax Laws	Service Tax	212	April 2014 to June 2017	Commissioner of Service Tax Appeals	Amount paid under protest Rs. 19 lakhs
Service Tax Laws	Service Tax	422	October 2009 to November 2012	The Commissioner of Central Excise and Service Tax	Amount paid under protest Rs. 21 lakhs

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2025

Page 3 of 5

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

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associates during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associates during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2025

Page 4 of 5

- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there was one complaint in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2025

Page 5 of 5

- (d) In our opinion, the HSBC Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix The Financial Ratio prescribed under Division III of Schedule III to the Act are not applicable to the Company. 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Ketan Asher

Partner

Membership Number: 113522

UDIN: 25113522BMKYXO2122

Place: Mumbai

Date: July 16, 2025

HSBC Asset Management (India) Private Limited
Balance Sheet as at March 31, 2025
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Financial Assets			
Cash and cash equivalents	3	555	621
Bank balance other than Cash and Cash equivalents	4	1,041	-
Trade receivables	5	11,013	8,627
Investments	6	67,134	39,334
Other financial assets	7	253	253
Subtotal		79,996	48,835
Non-Financial Assets			
Current tax assets (Net)	8	1,804	2,093
Property, plant and equipment	9	1,906	2,028
Capital work in progress	10	69	-
Right-of-use assets	11	1,952	2,099
Goodwill	12	108,074	108,074
Other intangible assets	13	308,341	308,309
Other non-financial assets	14	4,772	4,129
Subtotal		426,918	426,732
Total Assets		506,914	475,567
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables	15	-	167
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,064	4,483
Lease liabilities	11	2,111	2,152
Other financial liabilities	16	867	755
Subtotal		8,042	7,557
Non-Financial Liabilities			
Current tax liabilities (Net)	17	6,389	1,701
Deferred tax liabilities (Net)	18	77,969	77,674
Provisions	19	1,647	1,490
Other non-financial liabilities	20	1,998	2,547
Subtotal		88,003	83,412
EQUITY			
Equity share capital	21	34,441	34,441
Other equity	22	376,428	350,157
Subtotal		410,869	384,598
Total Liabilities and Equity		506,914	475,567
Material Accounting Policies	1 & 2		

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

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

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

Sd/-
Ketan Asher
Partner
Membership No: 113522

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

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

Sd/-
Sneha Shetty
Company Secretary
ACS 32038

Place: Mumbai
Date: July 16, 2025

Place: Mumbai
Date: July 16, 2025

HSBC Asset Management (India) Private Limited
Statement of Profit and Loss for the year ended March 31, 2025
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Fees and commission Income	23	59,703	45,949
Net gain on fair value changes	24	4,099	4,664
Revenue from operations		63,802	50,613
Other income	25	344	519
Total Income		64,146	51,132
Expenses			
Finance cost	26	197	80
Employee benefits expense	27	14,110	13,073
Depreciation and amortization expense	28	1,356	967
Others expenses	29	13,422	13,274
Total expenses		29,085	27,394
Profit before tax		35,061	23,738
Exceptional items			
Tax expense:			
(a) Current tax	30.1	8,469	4,829
(b) Adjustment for current tax of prior periods	30.1	(36)	(240)
(c) Deferred tax	30.2	295	(161)
		8,728	4,428
Profit for the year		26,333	19,310
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined employee benefit plans	19	(83)	34
Income tax relating to items that will not be reclassified to profit or loss	30.1	21	(9)
Subtotal		(62)	25
(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		(62)	25
Total comprehensive income for the year		26,271	19,335
Earnings per equity share (Nominal value of Rs.10/- per share)	37		
Basic & Diluted (in INR)		7.65	5.61

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

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

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

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

Sd/-
Ketan Asher
Partner
Membership No: 113522

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

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

Sd/-
Sneha Shetty
Company Secretary
CS No: A32038

Place: Mumbai
Date: July 16, 2025

Place: Mumbai
Date: July 16, 2025

HSBC Asset Management (India) Private Limited
Statement of Cash Flows for the year ended March 31, 2025
(All amounts in lakhs of Indian Rupees unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
A	Cash flow from operating activities			
	Profit before income tax		35,061	23,738
	Adjustments for:			
	- (Profit) / Loss on disposal of property plant and equipment (Net)	25	-	(1)
	- Unrealised (gain) / loss on forex fluctuation on trade receivables / payables		(163)	(15)
	- Finance cost	26	197	80
	- Depreciation and amortisation	28	1,356	967
	- Remeasurement of defined benefit plans	19	(83)	34
	- Loss on amalgamation	29	-	88
	- Interest on Income tax refund	25	(191)	(486)
	- (Profit) / Loss on sale of investments (net)	24	(2,077)	(404)
	- Net (Gain) / Loss on fair value changes on FVTPL assets	24	(2,022)	(4,260)
	Operating profit before working capital changes		32,078	19,741
	<u>Adjustments for changes in working capital</u>			
	(Increase) / decrease in bank balance other than cash and cash equivalents	4	(41)	-
	(Increase) / decrease in other financial assets	7	-	(95)
	(Increase) / decrease in other non financial assets	14	(643)	(69)
	(Increase) / decrease in trade receivables	5	(2,217)	(2,652)
	Increase / (decrease) in trade payables	15	410	1,829
	Increase / (decrease) in other financial liabilities	16	112	155
	Increase / (decrease) in other non financial liabilities	20	(549)	1,337
	Increase / (decrease) in provisions	19	157	56
			(2,771)	561
	Cash generated from operations		29,307	20,302
	Refunds Received/(Payment of taxes) (net)		(3,244)	(2,538)
	Net cash (used in) / generated from operating activities (A)		26,063	17,764
B	Cash flow from investing activities			
	- Purchase of investments		(80,300)	(40,443)
	- Proceeds from sale of investments		56,602	23,490
	- Placement of fixed deposit		(1,000)	-
	- Purchase of property, plant & equipment including CWIP	9 & 10	(660)	(748)
	- Sale of property, plant & equipment	9	-	1
	- Purchase of other intangible assets	13	(106)	(25)
	- Cash balance of subsidiary on account of amalgamation		-	763
	Net cash (used in) / generated from investing activities (B)		(25,464)	(16,962)
C	Cash flow from financing activities			
	- Finance cost	26	(197)	(80)
	- Principal portion of lease liabilities	11	(468)	(287)
	Net cash (used in) / generated from Financing activities (C)		(665)	(367)
	Net change in cash and cash equivalents (A+B+C)		(66)	435
	Cash and cash equivalents at the beginning of the year		621	186
	Cash and cash equivalents at the end of the year		555	621
	Non-cash investing activities			
	- Acquisition of Right-of-use assets	11	679	2,302
	Components of cash and cash equivalents			
	In Current account with banks			
	- Balances with banks in current accounts	3	555	621
	Total cash and cash equivalents		555	621

Note : The above Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows as prescribed under section 133 of the act.
The above Statement of Cash Flows should be read in conjunction with the accompanying notes.
This is the Statement of Cash Flows referred to in our report of even date.

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

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

Sd/-
Ketan Asher
Partner
Membership No: 113522

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

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

Sd/-
Sneha Shetty
Company Secretary
CS No: A32038

Place: Mumbai
Date: July 16, 2025

Place: Mumbai
Date: July 16, 2025

HSBC Asset Management (India) Private Limited
Statement of Changes In Equity for the year ended March 31, 2025
(All amounts in lakhs of Indian Rupees unless otherwise stated)

a) Equity Share Capital

Particulars	Number of Shares	Amount
As at March 31, 2023	344,415,000	34,441
Changes in equity share capital	-	-
As at March 31, 2024	344,415,000	34,441
Changes in equity share capital	-	-
As at March 31, 2025	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, 2023	900	315,470	14,452	330,822
Profit for the year	-	-	19,310	19,310
Other comprehensive income	-	-	25	25
Total Comprehensive Income for the year	-	-	19,335	19,335
Issue of equity shares, net of transaction costs	-	-	-	-
Balance as at March 31, 2024	900	315,470	33,787	350,157
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

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

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

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

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

Sd/-
Ketan Asher
Partner
Membership No: 113522

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

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

Sd/-
Sneha Shetty
Company Secretary
CS No: A32038

Place: Mumbai
Date: July 16, 2025

Place: Mumbai
Date: July 16, 2025

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025
(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. 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.

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

New and amended standards adopted

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback - Amendments to Ind AS 116

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

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 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 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 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.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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
- 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

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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 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

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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

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

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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 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. 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

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

12. 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 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.

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

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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 85,000 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.

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.

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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

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 (Refer sub-note 26 of note 1) 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 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.

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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.

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

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

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.

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.

26. Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed in the statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

Deferred income taxes in a business combination are recognised and measured in accordance with Ind AS 12. Deferred taxes are provided on all the temporary differences arising between the values assigned to identifiable assets and liabilities and their respective tax bases. Accordingly, if the intangible assets acquired have an indefinite useful life and are not amortised for accounting purposes and are also not deductible for tax purposes, the deferred tax liability is recognised and

HSBC Asset Management (India) Private Limited
Notes to the Financial statements for the year ended 31 March 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

affects goodwill. This deferred tax liability remains on the balance sheet and is released through profit or loss on sale or impairment.

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:

Provision for current tax - Note 7

Deferred tax realisability - Note 8

Measurement of Lease liabilities and Right of Use Asset - Note 10

Key assumptions used in discounted cash flow projections - Note 11 & 12

Impairment of Goodwill and Intangible assets - Note 11 & 12

Indefinite useful life of certain intangible assets - Note 11 & 12

Employee benefits related liabilities - Note 17

Fair valuation of financial instruments - Note 29

Fair valuation of assets acquired and liabilities assumed as part of business combinatio

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, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

3 Cash and Cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks in current accounts*	555	621
Total	555	621

*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, 2025	As at March 31, 2024
Deposit with Bank*	1,041	-
Total	1,041	-

*Deposit with Bank is lien marked against the bank guarantee obtained ESIC PMS contract.

5 Trade Receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers - billed	98	4,689
Trade receivables from contract with customers - unbilled ^	3,960	1,070
Trade receivables from contract with customers - billed - related parties	5,226	1,722
Trade receivables from contract with customers - unbilled - related parties	1,827	1,244
Less: Impairment loss allowance (Refer note 32b)	(98)	(98)
	11,013	8,627
Break up of security details		
Receivable considered good - unsecured	3,960	5,661
Less: Impairment loss allowance	-	-
	3,960	5,661
Receivable - Credit Impaired	98	98
Less: Impairment loss allowance (Refer note 32b)	(98)	(98)
	-	-
Receivable considered good - unsecured - related parties	7,053	2,966
Less: Impairment loss allowance	-	-
	7,053	2,966
Gross	11,111	8,725
Less: Impairment loss allowance (Refer note 32b)	(98)	(98)
Total	11,013	8,627

^ 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, 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

Ageing of Trade receivables as on March 31, 2024

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

6 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
At Fair Value through Profit or Loss		
Mutual funds units	65,993	38,248
Equity Instruments	458	451
Alternate Investment units	683	635
Total Gross	67,134	39,334
(i) Investments outside India	-	-
(ii) Investments in India	67,134	39,334
Total	67,134	39,334
Less : Impairment loss allowance	-	-
Total Net	67,134	39,334

7 Other Financial Assets

Particulars	As at March 31, 2025	As at March 31, 2024
At Amortised Cost		
Security Deposit	253	253
Total- Gross	253	253
Less: Impairment loss allowance	-	-
Total - Net	253	253
Secured by tangible assets	-	-
Secured by intangible assets	-	-
Covered by Bank/Government Guarantees	-	-
Unsecured	253	253
Total- Gross	253	253
Less: Impairment loss allowance	-	-
Total- Net	253	253
Deposits in India		
Public Sector	-	-
Others	253	253
Total- Gross	253	253
Less: Impairment loss allowance	-	-
Total Net	253	253
Deposits outside India	-	-
Less: Impairment loss allowance	-	-
Total- Net	-	-
Total	253	253

8 Current tax assets (Net)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance Tax, Tax deducted at source, [Net of provision for tax of Rs. 19,818 lakhs (March 31, 2024 Rs. 22,585 lakhs)]	1,804	2,093
Total	1,804	2,093

9 Property, Plant and Equipment

Particulars	Computers	Furniture and Fixtures	Office Equipment	Lease hold improvement	Total
Gross Block (At Cost)					
As at March 31, 2023	2,168	34	35	-	2,237
Additions	90	15	-	643	748
Disposals	(131)	-	-	-	(131)
As at March 31, 2024	2,127	49	35	643	2,854
Additions	270	-	150	171	591
Disposals	-	-	-	-	-
As at March 31, 2025	2,397	49	185	814	3,445
Depreciation					
As at March 31, 2023	371	4	14	-	389
Depreciation charge during the year	475	8	6	79	568
Disposals	(131)	-	-	-	(131)
As at March 31, 2024	715	12	20	79	826
Depreciation charge during the year	495	8	32	178	713
Disposals	-	-	-	-	-
As at March 31, 2025	1,210	20	52	257	1,539
Net Block					
As at March 31, 2024	1,412	37	15	564	2,028
As at March 31, 2025	1,187	29	133	557	1,906

10 Capital work in progress

Particulars	As at March 31, 2025	As at March 31, 2024
Capital work in progress	69	-
Total	69	-

a) Ageing of Capital work in progress

Particulars	Amounts in capital work-in-progress for				Total
	Less than one year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	69	-	-	-	69
(ii) Projects temporarily suspended	-	-	-	-	-
Total	69	-	-	-	69

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				Total
	Less than one year	1-2 years	2-3 years	More than 3 years	
(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, 2025	As at March 31, 2024
A. Gross carrying amount		
Opening gross carrying amount	2,450	329
Add: Additions during the year	679	2,302
Less: Derecognised during the year	(256)	(181)
Closing gross carrying amount (A)	2,872	2,450
B. Accumulated depreciation		
Opening accumulated depreciation	351	29
Add: Depreciation during the year	569	337
Less: Derecognised during the year	-	(15)
Closing accumulated depreciation (B)	920	351
Net carrying amount (A) - (B)	1,952	2,099

Lease Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Liabilities	2,111	2,152
Total	2,111	2,152

Additions during the year is INR 423 lakhs (Previous year Rs. 2,302 lakhs)
Total outflow during the year is INR 665 lakhs (Previous year Rs. 367 lakhs)

(ii) Amount recognised in statement of profit and loss

Finance Cost

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expenses on lease liabilities	197	80
Total	197	80

Depreciation and amortization expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on Right-of-use assets	569	337
Total	569	337

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

(iii) Net debt reconciliation

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	555	621
Liquid investment	50,424	23,920
Lease Liabilities	(2,111)	(2,152)
Total	48,868	22,389

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

(iv) Short term lease

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expense relating to short-term leases (included in other expenses)	1,027	920
Total	1,027	920

12 Goodwill

Particulars	Goodwill
Gross Block (At Cost)	
As at March 31, 2023	108,074
Additions	-
Disposals	-
As at March 31, 2024	108,074
Additions	-
Disposals	-
As at March 31, 2025	108,074
Amortisation	
As at March 31, 2023	-
Amortisation during the year	-
Impairment loss	-
Disposals	-
As at March 31, 2024	-
Amortisation during the year	-
Impairment loss	-
Disposals	-
As at March 31, 2025	-
Net Block	
As at March 31, 2024	108,074
As at March 31, 2025	108,074

13 Other intangible Assets

Particulars	Computer Software	Asset Management Rights	Total
Gross Block (At Cost)			
As at March 31, 2023	273	308,200	308,473
Additions	25	-	25
Disposals	-	-	-
As at March 31, 2024	298	308,200	308,498
Additions	106	-	106
Disposals	-	-	-
As at March 31, 2025	404	308,200	308,604
Amortisation			
As at March 31, 2023	127	-	127
Amortisation during the year	62	-	62
Disposals	-	-	-
As at March 31, 2024	189	-	189
Amortisation during the year	74	-	74
Disposals	-	-	-
As at March 31, 2025	263	-	263
Net Block			
As at March 31, 2024	109	308,200	308,309
As at March 31, 2025	141	308,200	308,341

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

Impairment testing of CGU:

Particular	As at March 31, 2025	As at March 31, 2024
Carrying value of CGU	410,869	384,598
Recoverable amount of CGU #	558,607	532,030

Note

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

(ii) For year ended March 31, 2024, Management has used valuation technique - discounted cash flow projections to measure fair value less cost of disposal. For year ended March 31, 2025, Management has used market approach - comparable companies market multiple to measure fair value less cost of disposal as the Management has decided to use more observable inputs in the fair valuation process which is in line with the requirements of Indian accounting standard 113 and accordingly decided to change the valuation technique from discounted cash flow projections to market approach - comparable companies market multiple.

Recoverable amount is determined using fair value as per market approach as at March 31, 2025

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-25	Approach to determining key assumption
Adjusted PAT to Market Capitalisation Multiple	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	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%	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 2025 by Rs.147,725 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-25	
	From	To
Adjusted PAT to Revenue Multiple	23.38	15.82
AUM to Market Cap Multiple	5.33%	3.45%
Size discount	10%	33.80%

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Recoverable amount is determined using fair value less cost of disposal as at March 31, 2024

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

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

Unobservable inputs	Value assigned to key assumption	
	31-Mar-24	Approach to determining key assumption
Multiples PAT	375,543	Based on past performance, 5 years forecasts prepared by the management and
Size discount	791,223	Computed using Long-term growth rate on 5th year of expected cashflow.
Post-tax discount rate (%)	15.10%	Reflects the market risk free rate and premium related to the specific risks.
Long-term growth rate (%)	8.00%	Computed using weighted average growth rate which is used to extrapolate cash flows beyond

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

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

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

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

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

14 Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advance to suppliers	156	66
Service Tax/GST Payment under Protest	2,531	2,500
Prepayments	719	598
Other Receivables	650	176
Plan Assets (refer note 19b)*	716	789
Total	4,772	4,129

*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, 2025 is net off Rs. 716 lakhs (PY Rs. 789 lakhs) receivable from the Insurer.

15 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	167
Total outstanding dues of creditors other than micro enterprises and small enterprises - Related Parties (refer note 39)	729	1,428
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,335	3,055
Total	5,064	4,650

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

Ageing of Trade Payables as on March 31, 2024

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

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, 2025	As at March 31, 2024
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:	-	-
- Principal amount	-	60
- 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.	-	-

16 Other Financial Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Employee benefits payable (including Restricted Share Plan)	769	637
Income Tax Refund Payable	96	96
Other Financial Liabilities	2	22
Total	867	755

17 Current tax liabilities (Net)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Income Tax [Net of advance tax and Tax deducted at source Rs. 1,166 lakhs (March 31, 2024 Rs. 1,724 lakhs)]	6,389	1,701
Total	6,389	1,701

18 Deferred tax liabilities (Net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Assets		
Depreciation/Amortisation	427	559
Provision for employee benefits	234	177
Bonus payable	161	153
Other	4	5
Lease liability	531	541
	1,357	1,435
Deferred Tax Liabilities		
Right of Use Assets	491	528
Business combination	77,568	77,568
Fair value of financial instruments	1,267	1,013
	79,326	79,109
Net Deferred Tax Liabilities	77,969	77,674

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, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for Compensated absences	176	183
Provision for Gratuity (refer note b) below)	1,471	1,307
Total	1,647	1,490

The entire amount of the provision of compensated absences Rs. 176 lakhs (March 31, 2024 - Rs. 183 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. 536 lakhs (March 31, 2024 - Rs.488 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, 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/ Interest income	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

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

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

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of funded plan liabilities	935	861
Fair value of plan assets	(716)	(789)
Plan liability net of plan assets	219	72
Unfunded liabilities	536	447
Deficit before asset ceiling	755	519

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Employee benefit expense:		
Current service cost	151	159
Total	151	159
Finance costs	31	29
Net impact on the profit before tax	182	188
Remeasurements of the net defined benefit liability:		
Actuarial (gains)/losses arising from Changes in financial assumption	36	5
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(13)
Actuarial (gains)/losses arising from changes actual return on plan assets less interest on plan asset	(10)	(7)
Actuarial (gains)/losses arising from changes in experience	57	(19)
Net impact on the other comprehensive income before tax	83	(34)

- (iii) Defined benefit plan assets

Category of assets	As at March 31, 2025	As at March 31, 2024
- Insurer managed funds	716	789
Total	716	789

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (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, 2025	As at March 31, 2024
Discount rate	6.40%	7.00%
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, 2025	As at March 31, 2024
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal rate	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, 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)

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

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, 2025	As at March 31, 2024
1st following year	262	246
2nd following year	267	238
3rd following year	312	240
4th following year	288	281
5th following year	235	259
Sum of year 6th to 10th year	1,086	996

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, 2026 is INR 209 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, 2025	As at March 31, 2024
Statutory dues payable	1,998	2,101
Other Non-Financial Liabilities	-	446
Total	1,998	2,547

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

21 Equity Share capital

Authorised Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2023	4,500,000,000	450,000
# Increase during the year	551,257,920	55,126
As at 31 March 2024	5,051,257,920	505,126
Increase during the year	-	-
As at 31 March 2025	5,051,257,920	505,126

Authorised Preference Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2023	8,000,000	800
# Increase during the year \$	675,300,000	90,300
As at 31 March 2024	683,300,000	91,100
Increase during the year	-	-
As at 31 March 2025	683,300,000	91,100

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

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

Issued Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2023	388,022,710	38,802
Changes during the year	(43,607,710)	(4,361)
As at 31 March 2024	344,415,000	34,441
Changes during the year	-	-
As at 31 March 2025	344,415,000	34,441

Subscribed and paid-up Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2023	344,415,000	34,441
Changes during the year	-	-
As at 31 March 2024	344,415,000	34,441
Changes during the year	-	-
As at 31 March 2025	344,415,000	34,441

Reconciliation of number of Equity Shares

Equity Shares:	As at 31 March 2025		As at 31 March 2024	
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, 2025 (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, 2025: 100% ; March 31, 2024: 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, 2025: 100% ; March 31, 2024: 100%. There has been no change in the promoter shareholding during the current year & previous year.

22 Other Equity

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium	315,470	315,470
Capital Redemption Reserve	900	900
Retained Earnings	60,058	33,787
Total	376,428	350,157

Securities Premium

Particulars	As at March 31, 2025	As at March 31, 2024
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, 2025	As at March 31, 2024
Opening balance	900	900
Changes during the year	-	-
Closing balance	900	900

Retained Earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	33,787	14,452
Add: Profit for the year	26,333	19,310
Items of other comprehensive income recognised directly in Retained Earnings		
- Remeasurement of defined employee benefit plans, net of tax	(62)	25
Corporate social responsibility (CSR) expenses (refer c) below)	60,058	33,787

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, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

23 Fees and commission Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Management fees from		
i) Mutual fund operations (net of GST)	50,816	40,870
ii) Portfolio Management Service (net of GST)	961	610
iii) Advisory Services	7,926	4,469
Total	59,703	45,949

24 Net gain on fair value changes

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain/(loss) on financial instruments at FVTPL		
On Mutual fund	4,039	4,651
On Equity Instrument	6	1
On Alternate Investment units	54	12
Total	4,099	4,664
Fair value changes:		
Realised	2,077	404
Unrealised	2,022	4,260
Total	4,099	4,664
Total	4,099	4,664

25 Other Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on account of foreign exchange fluctuations (net)	91	26
Interest on income tax refund	191	486
Profit on disposal of property, plant and equipment (net)	-	1
Interest on Fixed deposit	46	-
Miscellaneous income	16	6
Total	344	519

26 Finance Cost

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expenses on lease liabilities	197	80
Total	197	80

27 Employee Benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages & bonus	12,693	11,843
Contribution to provident and other funds (refer note 19a)	536	488
Gratuity (refer note 19b)	182	188
Compensated absences	24	60
Share based payments (refer note 36 b)	36	10
Staff welfare expense	639	484
Total	14,110	13,073

28 Depreciation and amortization expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	713	568
Amortisation on other intangible asset	74	62
Depreciation on right-of-use assets	569	337
Total	1,356	967

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

29 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent & utilities	1,394	1,349
Repairs and maintenance	1,136	2,083
Communication expenses	27	244
Director's fees, allowances and expenses	30	21
Auditor's fees (refer a) below)	56	48
Legal and professional charges	495	1,212
Insurance	478	402
Donation	10	10
Travelling and conveyance expenses	218	263
Brokerage and incentives	551	352
Compensation, Error & Settlement (refer b) below)	51	9
Scheme related expenses	1	3
Rates and taxes	46	570
Corporate social responsibility (CSR) expenses (refer c) below)	181	61
Support service charges	5,267	3,228
Business development charges	2,017	2,339
Membership and subscription	650	592
Office administration	814	400
Loss on amalgamation	-	88
Total	13,422	13,274

a) Details of payments to auditors

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
- Statutory audit	48	46
- Other services	7	2
- Reimbursement of expenses*	1	0
Total	56	48

* Below the rounding off norms adopted by the Company.

b) Compensation

The Company incurred Rs. 51 lakhs (March 31, 2024 Rs. 9 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. 181 lakhs (Previous year Rs. 61 lakhs)
ii) Amount approved by the Board to be spent during the year : Rs. 181 lakhs (Previous year Rs. 61 lakhs)
iii) HSBC Asset Management India Private Limited has proposed to support United Way Mumbai and Cancer Patients Aid Association basis guidance from CSR team of HSBC, India.

Disclosures in relation to corporate social responsibility expenditure:

Details of CSR Expenditure	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount required to be spent as per Section 135 of the Act	181	61
i) Amount of expenditure incurred		
Contribution to United Way of Mumbai	-	40
Contribution to Cancer Patients Aid Association	181	21
ii) Amount of cumulative shortfall at the end of the year		
iii) Accrual towards unspent obligations (Shortfall) in relation to:		
Ongoing project	-	-
Other than ongoing project	-	-
Total	181	61

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	-

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

Financial Year	Balance as at April 01, 2024		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2025	
	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 24-25	-	-	-	-	-	-	-
FY 23-24	-	-	-	-	-	-	-

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

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

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

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

30.1 Income tax expense

Particulars	For the Year ended	
	March 31, 2025	March 31, 2024
Income tax expense		
Current tax on profits for the year	8,469	4,829
Adjustment for current tax of prior periods	(36)	(240)
MAT Credit (Prior period)		
Total Current tax expense	8,433	4,589
Deferred tax relating to origination and reversal of temporary differences	295	(161)
Income tax expense	8,728	4,428
Other Comprehensive Income		
Income tax on Actuarial Gain/(Loss)	(21)	9

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 2025 and 31 March 2024 is as follows:

Particulars	For the Year ended	
	March 31, 2025	March 31, 2024
Accounting profit before tax	35,061	23,738
At statutory income tax rate of 25.168%* (As at March 31, 2023 - 25.168%)	8,824	5,974
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Share based payments	9	3
- Corporate social responsibility (CSR) expenses	46	15
- Loss on amalgamation	-	22
- Donations	3	3
- Share acquisition related expenses	-	-
Adjustment for current tax of prior periods	(36)	(240)
MAT credit written off	-	-
Adjustment for deferred tax on account of amalgamation of subsidiary	-	(762)
Capital gain on sale of investment taxed at different rates	70	38
Deferred tax on account of different tax rates/change in tax rate	(195)	(629)
Other	7	4
Income tax expense reported in the Statement of Profit and Loss	8,728	4,428

30.2 Deferred tax

Particulars	As at March 31, 2023	Movement in Profit and Loss [Debit/ (Credit)]	As at March 31, 2024	Movement in Profit and Loss [Debit/ (Credit)]	As at March 31, 2025
Deferred tax Assets					
Provision for employee benefits	165	12	177	57	234
Bonus payable	118	35	153	8	161
Depreciation/Amortisation	7	552	559	(132)	427
Others	-	5	5	(1)	4
Lease Liability	80	461	541	(10)	531
	370	1,065	1,435	(78)	1,357
Deferred tax Liabilities					
Right of Use Assets	76	(452)	528	(37)	491
Fair value of financial instruments through P&L	561	(452)	1,013	254	1,267
Asset Management Rights	77,568	-	77,568	-	77,568
	78,205	(904)	79,109	217	79,326
Net Deferred Tax Liability	77,835	161	77,674	295	77,969

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (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

Particulars	As at March 31, 2025			As at March 31, 2024		
	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	-	-	555	-	-	621
Bank Balance other than Cash and Cash equivalents	-	-	1,041	-	-	-
Trade receivables	-	-	11,013	-	-	8,627
Investments:						
- Mutual fund units	65,993	-	-	38,248	-	-
- Equity instruments	458	-	-	451	-	-
- Alternate Investment funds	683	-	-	635	-	-
Other financial assets:						
-Security deposits	-	-	253	-	-	253
Total financial assets	67,134	-	12,862	39,334	-	9,501
Financial liabilities:						
Trade payables	-	-	5,064	-	-	4,650
Other financial liabilities	-	-	867	-	-	755
Lease liabilities	-	-	2,111	-	-	2,152
Total financial liabilities	-	-	8,042	-	-	7,557

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (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, 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

As at March 31, 2024

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Mutual fund units	6	38,248	-	-	38,248
- Equity Instruments	6	-	-	451	451
- Alternate Investment funds	6	635	-	-	635
Total financial assets		38,883	-	451	39,334

- 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 2025 and 31 March 2024:

Particulars	Unlisted equity securities	Total
As at 01 April, 2023	450	450
Acquisitions	-	-
Gain/(Losses) recognised in statement of Profit & Loss	1	1
As at 31 March, 2024	451	451
Acquisitions	-	-
Gain/(Losses) recognised in statement of Profit & Loss	6	6
As at 31 March, 2025	458	458

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (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:

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

Financial Instrument	Valuation Technique
Unquoted Equity Instruments	
AMC Repo Clearing Limited	Underlying 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-25	31-Mar-24		
Unquoted Equity Shares				
AMC Repo Clearing Limited	408	416	Net assets value	Increase in net asset value by 1% would increase the value by INR 4.08 lakhs and decrease in 1% would decrease the value by INR 4.08 lakhs.
MF Utilities Private Limited	50	35	Risk adjusted discount rate	Discount rate of 13.57% is used to derive at the valuation. If the discount rate increase by 1% would lead to decrease in the fair value by INR 2.50 lakhs and decrease in discount rate by 1% would increase in the fair value by INR 3.10 lakhs.
	458	451		

Valuation Process

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

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

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

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (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 Payable exposure

As at March 31, 2025			As at March 31, 2024		
Trade Payables	Amount in Base Currency	Amount in INR	Trade Payables	Amount in Base Currency	Amount in INR
GBP	3	378	GBP	7	747
HKD	29	322	HKD	40	420
USD	-	37	USD	2	143
Total		737	Total		1,310

Unhedged Foreign Currency Receivable exposure

As at March 31, 2025			As at March 31, 2024		
Trade Receivables	Amount in Base Currency	Amount in INR	Trade Receivables	Amount in Base Currency	Amount in INR
EUR	1	56	EUR	-	-
JPY	2384	1361	JPY	-	-
USD	66	5636	USD	36	2,966
Total		7,053	Total		2,966

Particulars	Impact on profit after tax and equity	
	March 31, 2025	March 31, 2024
Rupees – Strengthen 5%	(236)	(62)
Rupees – Weakens 5%	236	62

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (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, 2025	March 31, 2024
Interest rate – Increase 0.5% (2024 – 1.85%)	(208)	(399)
Interest rate – Decrease 0.5% (2024 – 1.85%)	208	399

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 18.29% (2024 -10.95%) 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, 2025	March 31, 2024
NSE Nifty 50 – Increase 18.29% (2024 – 10.95%)	1,512	824
NSE Nifty 50 – Decrease 18.29% (2024 – 10.95%)	(1,512)	(824)

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, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

b) Credit Risk

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

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

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

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

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

The Company has placed security deposit with lessors for premises leased by the Company at various locations in India as at March 31, 2025 of Rs. 253 lakhs and March 31, 2024 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 Mar 31, 2023	98
Changes in loss allowance	-
Loss allowance on Mar 31, 2024	98
Changes in loss allowance	-
Loss allowance on Mar 31, 2025	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, 2025	As at March 31, 2024
Security Deposits	253	253
Receivables	11,013	8,627
Cash and cash equivalents	555	621

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, 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

As at March 31, 2024	Less than 3 months	3 months to 1 year	1 year to 5 years	5 years and beyond	Total
Trade payables	4,650	-	-	-	4,650
Other financial liabilities	118	637	-	-	755
Lease Liabilities	156	472	2,133	464	3,225
Total	4,924	1,109	2,133	464	8,630

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (Continued)

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

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. Please also refer Note 40 on Networth compliance.

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, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	555	-	555	621	-	621
Bank balance other than Cash and Cash equivalents	-	1,041	1,041	-	-	-
Trade receivables	11,013	-	11,013	8,627	-	8,627
Other financial assets	-	253	253	-	253	253
Investments	50,424	16,710	67,134	23,920	15,414	39,334
Non-financial assets						
Current tax assets (Net)	-	1,804	1,804	-	2,093	2,093
Property, plant and equipment	-	1,906	1,906	-	2,028	2,028
Capital work in progress	-	69	69	-	-	-
Right-of-use assets	-	1,952	1,952	-	2,099	2,099
Other intangible assets	-	308,341	308,341	-	308,309	308,309
Goodwill	-	108,074	108,074	-	108,074	108,074
Other non-financial assets	1,525	3,247	4,772	840	3,289	4,129
Total assets	63,517	443,397	506,914	34,008	441,559	475,567

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	167	-	167
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,064	-	5,064	4,483	-	4,483
Lease Liabilities	613	1,498	2,111	446	1,706	2,152
Other financial liabilities	867	-	867	755	-	755
Non-financial Liabilities						
Current tax liabilities (Net)	6,389	-	6,389	1,701	-	1,701
Provisions	176	1,471	1,647	183	1,307	1,490
Deferred tax liabilities (Net)	-	77,969	77,969	-	77,674	77,674
Other non-financial liabilities	1,998	-	1,998	2,547	-	2,547
Total liabilities	15,107	80,938	96,045	10,282	80,687	90,969

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

35 Contingent Liabilities

- a) Direct tax matters disputed by the Company are Rs. 600 lakhs (March 31, 2024 : Rs. 754 lakhs)
b) Indirect tax matters disputed by the Company are Rs. 15,825 lakhs (March 31, 2024 : Rs. 860 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, 2025	Year ended March 31, 2024
	Number of shares	Number of shares
Outstanding at the beginning of period	6,005	9,522
Granted	917	765
Exercised	-	-
Released	(4,047)	(4,100)
Cancelled	(155)	(154)
Forfeited	(14)	(28)
Outstanding at the end of period	2,706	6,005

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, 2025	Year ended March 31, 2024
HSBC Asset Management (India) Private Limited - Employees share based payment scheme (equity settled)	36	10
Total	36	10

37 Earnings per equity share

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic & Diluted earnings per share		
Net profit / loss after tax available for equity shareholders (A)	26,333	19,310
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)	7.65	5.61
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 2024-25.

HSBC Asset Management (India) Private Limited
Notes to the financial statements for the year ended March 31, 2025 (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 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)

4 Key management personnel

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

(i) Transactions during the year are as under:

Particulars	with Holding company	with Ultimate Holding company	with Subsidiary company	with fellow Subsidiaries	with Key Management Personnel
Advisory fees	-	-	-	7,926	-
	-	-	-	(4,469)	-
Interest Income	-	-	-	46	-
	-	-	-	-	-
Managerial Remuneration ^	-	-	-	-	495
	-	-	-	-	(576)
Director's Sitting Fees	-	-	-	-	30
	-	-	-	-	(21)
Professional Fees and Expenses	-	-	-	4	-
	-	-	-	(1)	-
Share Based payment	-	36	-	-	-
	-	(10)	-	-	-
Support service charges	-	-	-	3,081	-
	-	-	-	(1,797)	-
Telephone, courier and postage	-	-	-	-	-
	-	-	-	(5)	-
Rent	-	-	-	1,014	-
	-	-	-	(876)	-
IT support services	-	-	-	1,332	-
	(9)	-	-	(537)	-
Repairs and maintenance - Others	-	-	-	-	-
	-	-	-	(0)	-
Bank and Guarantee charges	-	-	-	18	-
	-	-	-	(6)	-
Staff Welfare	-	-	-	-	-
	-	-	-	(4)	-
Brokerage and incentives	-	-	-	535	-
	-	-	-	(350)	-
Reimbursement of expense	-	-	-	6	-
	-	-	-	-	-
Recovery of expense	-	-	-	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, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

Key managerial remuneration compensation

Particulars	31-Mar-25	31-Mar-24
Short-term employee benefits	495	562
Post-employment benefits	-	14
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	-	-
Total	495	576

(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-25	-	-	-	7,053	-
	31-Mar-24	-	-	-	(2,966)	-
Balances with banks						
	31-Mar-25	-	-	-	525	-
	31-Mar-24	-	-	-	(589)	-
Bank balance other than Cash and Cash equivalents						
	31-Mar-25	-	-	-	1,041	-
	31-Mar-24	-	-	-	-	-
Liabilities						
Trade Payables						
	31-Mar-25	-	-	-	729	-
	31-Mar-24	(5)	-	-	(1,421)	-
Other financial liabilities						
	31-Mar-25	-	46	-	-	-
	31-Mar-24	-	(36)	-	-	-
Rent & Utilities						
	31-Mar-25	-	-	-	-	-
	31-Mar-24	-	-	-	(2)	-

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, 2025	Year ended March 31, 2024
Segment revenue		
- India	51,777	41,480
- Outside India	7,926	4,469
Total	59,703	45,949

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

c) Information about revenue from major customers

Particulars	As at March 31, 2025	As at March 31, 2024
Revenue from HSBC Mutual fund	50,816	40,870

41 Networth Compliance

The net-worth of the Company as at March 31, 2025 is Rs. 69,962 lakhs (March 31, 2024 is Rs. 44,357 lakhs). While computing the net-worth, the intangibles (Asset Management Rights (AMR) recognized as part of the business combination) have been netted off with the associated deferred tax liability (DTL) of Rs. 77,568 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:

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

B 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:

- (i) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on 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, 2025 (Continued)
(All amounts in lakhs of Indian Rupees unless otherwise stated)

(xv) Audit Trail

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

In respect of one 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 and in respect of second application, this audit trail feature has been enabled from March 18, 2025. 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, 2025."

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

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

Sd/-
Ketan Asher
Partner
Membership No: 113522

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

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

Sd/-
Sneha Shetty
Company Secretary
ACS 32038

Place: Mumbai
Date: July 16, 2025

Place: Mumbai
Date: July 16, 2025