

PO. 11186927/80

DON'T  
STAPLE**OS AA01**Statement of details of parent law and other  
information for an overseas company

Companies House

✓ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law.

✗ **What this form is NOT**  
You cannot use this form  
an alteration of manner of  
with accounting requirements

WEDNESDAY



\*ABDIVB5L\*

A32

28/09/2022

#272

COMPANIES HOUSE

**Part 1 Corporate company name**Corporate name of  
overseas company ①

HSBC Electronic Data Processing India Private Limited

UK establishment  
number

B R 0 0 6 4 1 1

→ **Filling in this form**Please complete in typescript or in  
bold black capitals.All fields are mandatory unless  
specified or indicated by \*① This is the name of the company in  
its home state.**Part 2 Statement of details of parent law and other  
information for an overseas company****A1 Legislation**Please give the legislation under which the accounts have been prepared and  
audited.

Legislation ②

India - Companies Act 2013

② This means the relevant rules or  
legislation which regulates the  
preparation of accounts.**A2 Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

☐ **No. Go to Section A3.**☒ **Yes. Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3.**③ Please insert the name of the  
appropriate accounting organisation  
or body.Name of organisation  
or body ③

The Institute of Chartered Accountants of India

## OS AA01

Statement of details of parent law and other information for an overseas company

<b>A3 Audited accounts</b>		
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to <b>Part 3 'Signature'</b>.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to <b>Part 3 'Signature'</b>.</p>	<p>● Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ●	The Institute of Chartered Accountants of India	

### Part 3

#### Signature

I am signing this form on behalf of the overseas company.		
Signature	<p>Signature</p> <p>X <i>Kashika</i> X</p>	
This form may be signed by: Director, Secretary, Permanent representative.		

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Alex Raistrick
Company name	HSBC Holdings plc
Address	8 Canada Square
Canary Wharf	
Post town	London
County/Region	
Postcode	E 1 4 5 H Q
Country	United Kingdom
DX	
Telephone	



## Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



## Important information

Please note that all this information will appear on the public record.



## Where to send

You may return this form to any Companies House address:

### England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1

### Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.



## Further information

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC Electronic Data Processing India Private Limited

Report on the audit of the financial statements

### Opinion

1. We have audited the accompanying financial statements of HSBC Electronic Data Processing India Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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.

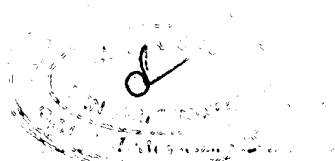
### Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director'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, Unit - 2B, 8th Floor, Octave Block, Block E1, Parcel - 4, Salarpuria Sattva Knowledge City, Raidurg, Hyderabad, Telangana - 500081  
T: +91 (40) 4424 6000, F: +91 (40) 4424 6300

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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/NS00019 (ICAI registration number before conversion was 012754N)

Independent auditor's report

To the Members of HSBC Electronic Data Processing India Private Limited

Report on audit of the financial statements

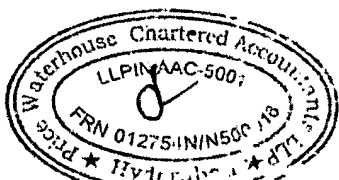
Page 2 of 4

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



Independent auditor's report

To the Members of HSBC Electronic Data Processing India Private Limited

Report on audit of the financial statements

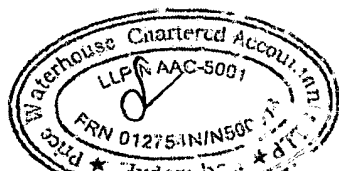
Page 3 of 4

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

10. As required by the Companies (Auditor's Report) Order, 2016 ("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.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 comments in paragraph 11(b) above that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (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 25 to the financial statements.



Independent auditor's report

To the Members of HSBC Electronic Data Processing India Private Limited  
Report on audit of the financial statements  
Page 4 of 4

ii. The Company has long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses.

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, 2021.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

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

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

  
Srikanth Pola

Partner

Membership Number: 220916

UDIN: 21220916AAAABY4990

Place: Hyderabad

Date: September 21, 2021

## **Annexure A to INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 11(g) of the Independent Auditors' Report of even date to the members of HSBC Electronic Data Processing India Private Limited on the financial statements as of and for the year ended March 31, 2021

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 Electronic Data Processing India Private Limited ("the Company") as of March 31, 2021 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 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.

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





## **Annexure A to INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 11(g) of the Independent Auditors' Report of even date to the members of HSBC Electronic Data Processing India Private Limited on the financial statements as of and for the year ended March 31, 2021

Page 2 of 2

### **Meaning of Internal Financial Controls with reference to financial statements**

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

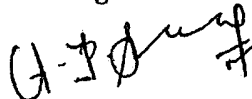
### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the Institute of Chartered Accountants of India.

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



Srikanth Pola  
Partner

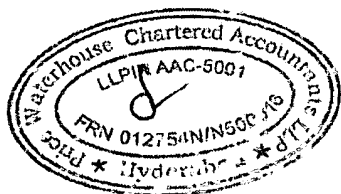
Membership Number: 220916  
UDIN: 21220316AAAABY4990

Place: Hyderabad  
Date: September 21, 2021

### **Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of HSBC Electronic Data Processing India Private Limited on the financial statements as of and for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets 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 as disclosed in Note 3 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues in respect of income tax, provident fund, employees' state insurance, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, service tax, provident fund and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:



**Annexure B to Independent Auditors' Report**

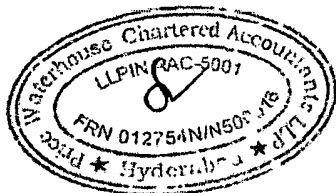
Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of HSBC Electronic Data Processing India Private Limited on the financial statements as of and for the year ended March 31, 2021

Page 2 of 3

Name of the statute	Nature of dues	Amount (Rs. In lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Fringe Benefit Tax	174.10	FY 2005-06	Commissioner of Income Tax (Appeals), Hyderabad
Income Tax Act, 1961	Tax and Interest	4,031.02	FY 2009-10, FY 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Tax and Interest	5,346.70	FY 2006-07, FY 2010-11, FY 2012-13, FY 2014-15, FY 2015-16, FY 2016-17	Commissioner of Income Tax (Appeals), Hyderabad
West Bengal Value Added Tax Act, 2003	Penalty under Section 78 and 79 of the Act	129.34	FY 2006-07	West Bengal Taxation Tribunal, Kolkata
West Bengal Value Added Tax Act, 2003	Tax, Interest and Late Fee	106.99	FY 2014-15	Senior Joint Commissioner, Commercial taxes
Haryana Value Added Tax Act, 2003	Tax, Interest and Late Fee	0.84	FY 2015-16	Joint Excise and Taxation Commissioner (Appeals)
Haryana Value Added Tax Act, 2003	Tax, Interest and Late Fee	12,157.94	FY 2015-16	Joint Excise and Taxation Commissioner (Appeals)
The Finance Act, 1994 (Service Tax)	Service Tax, Penalty under the Finance Act, 1994	4,290.68	FY 2008-09 to FY 2017-18	Customs, Excise and Service Tax Appellate Tribunal
The Employees' Provident Fund and Miscellaneous Provisions Act 1952	Employer's contribution to Provident Fund	3,535.95	FY 2008-09 to FY 2015-16	The Regional P.F Commissioner – 1, Hyderabad Region

\* Amounts paid under protest aggregating to Rs. 359.22 lakhs is reduced from the amounts demanded in arriving at the aforesaid disclosure.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.



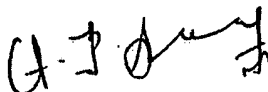
**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of HSBC Electronic Data Processing India Private Limited on the financial statements as of and for the year ended March 31, 2021

Page 3 of 3

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 12 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



Srikanth Pola  
Partner

Membership Number: 220916  
UDIN: 21220916AAAA BY4990

Place: Hyderabad  
Date: September 21, 2021

**HSBC Electronic Data Processing India Private Limited**  
**Balance Sheet as at 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	46,541.20	39,431.52
Right-of-use asset	4	51,291.41	67,670.66
Capital work-in-progress	3	60.22	1,302.96
Intangible assets	5	513.08	230.48
<b>Financial assets</b>			
i) Other financial assets	6(c)	5,100.45	7,947.01
Deferred tax assets	7	15,440.57	12,787.77
Income tax assets	8	15,282.20	15,689.35
Other non-current assets	10	16,975.12	17,643.73
<b>Total non-current assets</b>		<b>151,204.25</b>	<b>162,703.48</b>
<b>Current assets</b>			
<b>Financial assets</b>			
i) Trade receivables	6(a)	44,476.93	45,800.01
ii) Cash and cash equivalents	6(b)	101,624.41	101,378.53
iii) Other financial assets	6(c)	3,247.73	828.81
Contract assets	9	837.70	-
Other current assets	10	8,941.78	9,929.96
<b>Total current assets</b>		<b>159,128.55</b>	<b>157,937.31</b>
<b>Total assets</b>		<b>310,332.80</b>	<b>320,640.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	35,546.78	35,546.78
Other equity	12	145,883.94	123,144.85
<b>Total equity</b>		<b>181,430.72</b>	<b>158,691.63</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i) Lease liabilities	13(b)	44,712.80	58,593.14
Provisions	14	5,139.50	5,166.10
Employee benefit obligations	15	5,266.71	8,410.23
<b>Total non-current liabilities</b>		<b>55,119.01</b>	<b>72,169.47</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i) Current borrowings	13(a)	-	15,000.00
ii) Lease liabilities	13(b)	11,491.95	10,657.31
iii) Trade payable			
a) Total outstanding dues of micro and small enterprises	13(c)	-	-
b) Total outstanding dues other than (iii) (a) above	13(c)	13,405.26	9,722.63
iv) Other financial liabilities	13(d)	1,353.68	1,182.23
Provisions	14	1,537.97	1,537.97
Contract liabilities	9	-	16,104.35
Employee benefit obligations	15	4,857.25	-
Current tax liabilities	16	1,496.07	42.84
Other current liabilities	17	39,640.89	35,532.36
<b>Total current liabilities</b>		<b>73,783.07</b>	<b>89,779.69</b>
<b>Total liabilities</b>		<b>128,902.08</b>	<b>161,949.16</b>
<b>Total equity and liabilities</b>		<b>310,332.80</b>	<b>320,640.79</b>

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

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

*G. P. Durgam*  
Shravanth Pola  
Partner  
Membership No: 220916

For and on behalf of Board of Directors

*Paul Anthony Raddon*  
Paul Anthony Raddon  
Director  
DIN: 08109337  
*Rashika U DUGAR*  
Rashika U DUGAR  
Company Secretary

*Mamatha Madireddy*  
Mamatha Madireddy  
Director  
DIN: 09174826

Place: Hyderabad  
Date: 21 September 2021

Place: Hyderabad  
Date: 21 September 2021



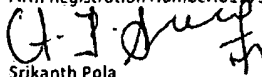
**HSBC Electronic Data Processing India Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except earning per share and where otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	18	551,181.17	531,029.67
Other income	19	3,029.83	10,523.26
<b>Total revenue</b>		<b>554,211.00</b>	<b>541,552.93</b>
<b>Expenses</b>			
Employee benefits expense	20	329,264.17	318,491.58
Depreciation and amortization expense	21	29,282.77	29,055.84
Finance costs	22	6,765.61	10,432.24
Other expenses	23	104,609.78	104,223.96
<b>Total expenses</b>		<b>469,922.33</b>	<b>462,203.62</b>
<b>Profit before tax</b>		<b>84,288.67</b>	<b>79,349.31</b>
<b>Income tax expense</b>			
Current tax	24	24,470.26	22,654.12
Deferred tax	7, 24	(2,762.47)	3,288.96
<b>Total tax expense</b>		<b>21,707.79</b>	<b>25,943.08</b>
<b>Profit for the year</b>		<b>62,580.88</b>	<b>53,406.23</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post employment benefits obligations		435.75	382.77
Income tax relating to these items		(109.67)	(96.34)
<b>Other comprehensive income for the year, net of tax</b>		<b>326.08</b>	<b>286.43</b>
<b>Total comprehensive income for the year</b>		<b>62,906.96</b>	<b>53,692.66</b>
<b>Earnings per equity share [par value of INR. 100 each (previous year INR. 100 each)]</b>	27		
Basic and diluted		176.05	150.24
Number of shares used in computing earning per share			
Basic - par value INR. 100 per share		35,546,781	35,546,781
Diluted - par value INR. 100 per share		35,546,781	35,546,781

Significant accounting policies 1  
The accompanying notes are an integral part of the financial statements.

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

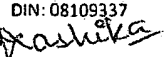
For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

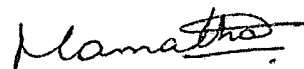
  
Srikanth Pola

Partner  
Membership No: 220916

For and on behalf of Board of Directors

  
Paul Anthony Raddon

Director  
DIN: 08109337  
  
Rashika U DUGAR  
Company Secretary



Mamatha Madireddy  
Director  
DIN: 09174826

Place: Hyderabad  
Date: 21 September 2021.

Place: Hyderabad  
Date: 21 September 2021





**HSBC Electronic Data Processing India Private Limited**  
**Statement of Cash Flows for the year ended 31 March 2021**  
 (All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flows from operating activities</b>		
Profit before tax	84,288.67	79,349.31
Adjustments:		
Interest income on fixed deposit	(1,725.59)	(1,204.86)
Interest income on security deposit	(681.70)	(727.25)
Interest on decommissioning liability	446.94	416.61
Gain on reversal of lease liability	(599.87)	-
Interest on borrowing	421.74	3,048.52
Interest on lease liability	5,896.93	6,967.11
(Profit)/Loss on sale of Property, plant and equipment	467.69	86.22
Write off of Property, plant and equipment	518.96	-
Depreciation and amortization	29,282.77	29,055.84
Unrealised foreign exchange differences	1,323.01	(4,565.96)
Operating cash flow before working capital changes	119,639.55	112,425.54
Decrease/ (Increase) in trade receivables	(410.96)	8,909.09
Decrease/ (Increase) in ROU asset	1,773.34	-
Decrease/ (Increase) in other current financial assets	(2,418.92)	6,308.56
Decrease/ (Increase) in other non-current financial assets	3,528.26	1,174.85
Decrease/ (Increase) in other current assets	988.18	(3,137.13)
Decrease/ (Increase) in contract assets	(837.70)	11,580.23
Decrease/ (Increase) in other non-current assets	773.75	4,182.74
Increase/ (Decrease) in lease liability	(2,156.71)	-
Increase/ (Decrease) in trade payable	3,776.97	(9,320.96)
Increase/ (Decrease) in provisions	(473.54)	-
Increase/ (Decrease) in other current financial liabilities	210.85	384.78
Increase/ (Decrease) in other current liabilities	4,108.53	1,403.99
Decrease/ (Increase) in contract liabilities	(16,104.35)	16,104.35
Increase/ (Decrease) in employee benefit obligations	2,149.48	(1,235.23)
Cash generated from operations	114,546.73	148,860.81
Taxes paid	(22,193.61)	(27,730.47)
<b>Net cash generated by operating activities</b>	<b>92,353.12</b>	<b>121,130.34</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Property, plant and equipment (tangible and intangible fixed assets, capital work in progress)	(22,062.71)	(25,887.01)
Proceeds from sale of Property, plant and equipment	39.75	44.07
Interest income on fixed deposit	1,725.59	1,204.86
<b>Net cash used in investing activities</b>	<b>(20,297.37)</b>	<b>(24,638.08)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds/(repayment) from borrowings	(15,000.00)	(15,000.00)
Interest on borrowing	(421.74)	(3,048.52)
Principal elements of lease payments	(16,785.92)	(17,990.62)
Dividend paid	(36,151.08)	-
Taxes on dividend	(4,016.79)	-
<b>Net cash used in financing activities</b>	<b>(72,375.53)</b>	<b>(36,039.19)</b>
Net increase/ (decrease) in cash and cash equivalents	(319.79)	60,453.12
Cash and cash equivalents at the beginning of period	101,378.53	38,089.63
Effect of exchange (loss)/gain on cash and cash equivalents	565.67	2,835.78
<b>Cash and cash equivalents at the end of period</b>	<b>101,624.41</b>	<b>101,378.53</b>

**Notes:**

**1. Components of cash and cash equivalents**

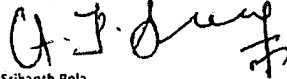
Cash on hand	-	-
Balances with scheduled banks:		
- in current accounts	3,440.44	11,398.84
- in current accounts (outside India)	1,366.16	569.36
- in deposit accounts	92,131.95	59,455.43
- in export earners foreign currency accounts	4,685.86	29,954.90
	<b>101,624.41</b>	<b>101,378.53</b>

Amount spent in cash towards corporate social responsibility is INR 1,516.86 lakhs (March 2020 - INR 1,398.06 lakhs)

This is the Cash flow statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754M/N500016




Srikanth Pola

Partner

Membership No: 220916

For and on behalf of Board of Directors



Paul Anthony Raddon

Director

DIN: 08109337

 Rashika U DUGAR

Company Secretary

Mamatha Madireddy

Director

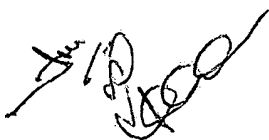
DIN: 09174826

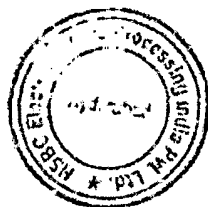
Place: Hyderabad

Date: 21 September 2021

Place: Hyderabad

Date: 21 September 2021





H5BC Electronic Data Processing India Private Limited

Statement of changes in equity for the year ended 31 March 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

A. Equity share capital

Particulars	Note	Amount
As at 1st April 2019	11	35,546.78
Changes in equity share capital		-
As at 31 March 2020		35,546.78
Changes in equity share capital		-
As at 31 March 2021		35,546.78

B. Other equity

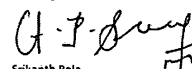
Particulars	Note	Securities premium reserve	Retained earnings	Reserves and surplus General reserve	Share options outstanding account	Total other equity
Balance as at 1st April 2019	12	5,564.72	54,269.83	8,350.53	1,267.11	69,452.19
Profit for the year		-	53,406.23	-	-	53,406.23
Other comprehensive income		-	286.43	-	-	286.43
Balance as at 31 March 2020		5,564.72	107,962.49	8,350.53	1,267.11	123,144.85
Profit for the year		-	62,580.88	-	-	62,580.88
Other comprehensive income		-	326.08	-	-	326.08
-Dividends paid (including corporate dividend tax)		-	(40,167.87)	-	-	(40,167.87)
Balance as at 31 March 2021		5,564.72	130,701.58	8,350.53	1,267.11	145,883.94

Significant accounting policies

The accompanying notes are an integral part of the financial statements.


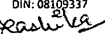
This is the Statement of changes in equity referred to in our report of even date.

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

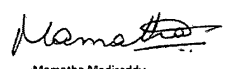
  
Srikanth Pola  
Partner  
Membership No: 220916

Place: Hyderabad  
Date: 21 September 2021

For and on behalf of Board of Directors

  
Paul Anthony Raddon  
Director  
DIN: 08109337  
  
Rashika U DUGAR  
Company Secretary

Place: Hyderabad  
Date: 21 September 2021

  
Mamatha Madireddy  
Director  
DIN: 09174826





**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Company overview**

HSBC Electronic Data Processing India Private Limited ("HDPI" or "the Company") was incorporated on 14 March 2000 as a wholly owned subsidiary of HSBC Holdings B.V., Netherlands. HSBC Holdings plc, U.K. is the ultimate holding Company.

The Company provides electronic data processing, call center and professional services (collectively referred to as "back office services") to the HSBC group companies. The Company has a branch in London, U.K.

**Note 1: Significant accounting policies**

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

**a) Basis of preparation**

**(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other provisions of the Act.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Derivative instruments are measured at fair value;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments recorded at fair value.

**(iii) New and amended standards adopted by the entity**

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

**b) Segment reporting**

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

The Board of Directors of HSBC Electronic Data Processing India Private Limited assesses the financial performance and financial position of the Company, and makes strategic decisions. The Board of Directors has been identified as the chief operating decision maker. Refer note 28 for segment information presented.

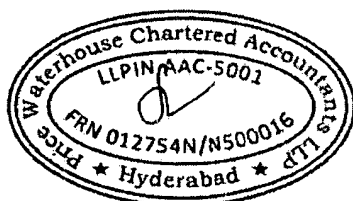
**c) Foreign currency translation**

**(i) 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 (INR), which is the Company's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates on the date 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 the year-end exchange rates are generally recognized in the Statement of Profit and Loss. All foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**d) Revenue recognition**

**(i) Timing of recognition:**

Revenue from back-office services is recognized in the accounting period in which the services are rendered.

**(ii) Measurement of revenue:**

Revenue from back-office services rendered to group companies is recognized on a cost plus basis as per the terms of the contract with the parties. Revenue in excess of billing on back-office services is recorded as contract asset and is included under other current financial assets. If the payment exceeds the services rendered, contract liability is recognised.

**e) Income tax**

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 in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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 realize the asset and settle the liability simultaneously.

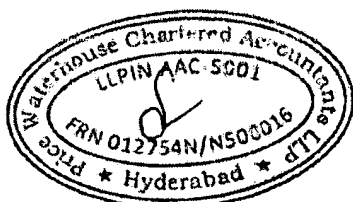
Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**f) Leases**

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the entity. Contracts may contain both lease and non-lease components. The entity allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liability include the net present value of the following lease payments:

- a) Fixed payments less any lease incentive receivables
- b) Variable lease payments that are based on an Index or a rate, initially measured using the index or rate as at the commencement date
- c) Amounts expected to be payable by the entity under residual value guarantee
- d) The exercise price of a purchase option if the entity is reasonably certain to exercise that option, and
- e) Payments of penalties for terminating the lease, if the lease term reflects the entity exercising that option.



*[Handwritten signature]*

**HSBC Electronic Data Processing India Private Limited**

**Notes to financial statements for the year ended 31 March 2021**

(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the entity, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right of use assets are measured at cost comprising following:

- a) The amount of initial measurement of lease liability
- b) Any lease payments made at or before the commencement date less any lease incentives received
- c) Any initial direct costs and
- d) Restoration cost

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

Payments associated with contracts that do not qualify under leases as per IND AS 116, short-term leases of equipment and all leases of low-value assets are recognized as expense over the lease term on straight-line basis or another systematic basis if that basis is more representative of the pattern of the benefit. Short-term leases are leases with a lease term of 12 months or less.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

**g) Cash and cash equivalents**

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

**h) Trade receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, if any.

**i) Financial assets**

**(i) Classification**

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

- (a) Those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and loss), and
- (b) Those measured at amortized cost.

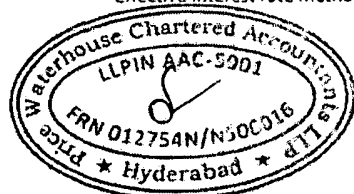
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**(ii) Measurement**

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

**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. The Company's debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt instrument that is subsequently measured at amortized cost is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.



**HSBC Electronic Data Processing India Private Limited**

**Notes to financial statements for the year ended 31 March 2021**

(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**(iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109-“Financial Instruments”, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**(iv) De-recognition of financial assets**

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flow from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

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 derecognized 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 recognized to the extent of continuing involvement in the financial asset.

**(v) Income recognition**

Interest income from the debt instruments is recognized 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.

**j) Derivatives and hedging activities**

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into forward contracts to hedge risks which are not designated as hedges. Such forward contracts are accounted for at fair value through profit or loss.

**k) Property, plant and equipment**

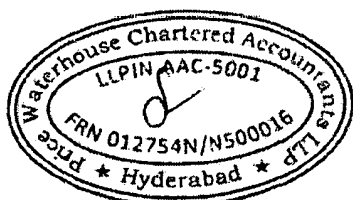
All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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 separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Transition to Ind AS**

**(i) Deemed cost:**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.



*[Handwritten signature]*

**HSBC Electronic Data Processing India Private Limited**

**Notes to financial statements for the year ended 31 March 2021**

(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**(ii) Decommissioning obligation included in the cost of property, plant and equipment:**

On transition to Ind AS, the Company has elected to make no changes in the decommissioning, restoration or similar liability before the transition date to be added to or deducted from the cost of the asset to which it relates. The Company measured the liability as at the date of transition to Ind AS that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk adjusted discount rate(s) that would have applied for that liability over the intervening period and calculate the accumulated depreciation on that amount, as at the date of transition to Ind AS, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted.

**(iii) Depreciation methods, estimated useful lives and residual value:**

Depreciation is calculated using the straight line method to allocate the cost, net of the residual values, over their useful lives estimated by the Management, except in case of leasehold improvements which are amortized over the primary period of the lease or estimated useful life of the asset, whichever is shorter. The Management estimated useful lives for fixed assets and rates prescribed under Schedule II are as follows:

Asset Category	Estimated Useful life	Useful life under Schedule II
Computers	3 to 5 years	3 to 6 years
Air-conditioners	10 years	15 years
Furniture and fixtures	5 years	10 years
Office equipment's	5 years	5 years
Electrical equipment's	5 years	10 years
Telecommunication equipment's	7 years	5 years
Vehicles	5 years	8 years

The useful lives have been determined based on technical evaluation done by the management's expert and reflect the actual usage of the assets.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other income/ (expenses).

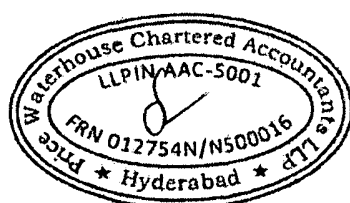
**I) Intangible assets**

**(i) Amortization methods and periods**

The Company amortizes intangible assets on straight line value basis over their estimated useful life not exceeding 5 years.

**(ii) Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**m) Impairment of assets**

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

**n) Government Grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are presented by deducting the grant from carrying value of the amount.

**o) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**p) Provisions**

The Company recognizes a provision when it has a present legal or constructive obligation as 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 recognized for future operating losses.

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 provisions due to the passage of time is recognized as interest expense.

**q) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and 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 recognized 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 other current employee benefit obligations in the Balance Sheet.

**(ii) Post-employment obligations**

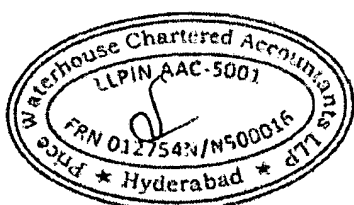
The Company operates the following post-employment schemes:

- (a) Defined benefit gratuity plan, and
- (b) Defined Contribution plans such as provident fund and national pension scheme.

**Defined benefit plan**

The liability or assets recognized in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation are 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.



*[Handwritten signature]*

**HSBC Electronic Data Processing India Private Limited**

**Notes to financial statements for the year ended 31 March 2021**

(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

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

Remeasurements gains and losses arising from experience adjustments and change in actuarial assumptions are recognized 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 recognized immediately in the Statement of Profit and Loss as past service cost.

**Defined contribution plans**

The Company pays provident fund contributions to publicly administered funds as per local regulations and makes contribution to the national pension scheme. 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 recognized as an employee benefit expense when they are due.

**(iii) Share based payments**

Share based compensation benefits are provided to the employees of HSBC Electronic Data Processing India Private Limited via the HSBC Group Share Match, Share Save and Share option schemes.

For the Share Match and Share Save schemes the employees are entitled to the shares of HSBC holdings plc. However, there is no cross charge from the ultimate holding company on account of shares allotted under these schemes. The fair value of options granted under these schemes is recognized as an employee benefit expense with a corresponding increase in equity.

Under the Share option scheme, the entity receives a cross charge from the ultimate holding company. Accordingly the fair value of such options granted under these schemes is recognized as an employee benefit expense with a corresponding impact in other current financial liability.

The total amount to be expensed with respect to the Share Match, Share Save and Share Option schemes is determined with reference to the fair value of options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance conditions; and
- including the impact of any non-vesting conditions.

The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revisits its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to share options outstanding account.

**r) 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.

**s) Dividends**

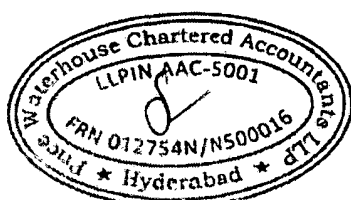
Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**t) Earning per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 27).



*[Handwritten signature]*

**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

(ii) Diluted earnings per share

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

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

u) 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.

v) Standards issued but not yet effective

There is no such notification which would have been applicable from April 1, 2021.

**Note 2: Critical estimates and judgments**

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

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

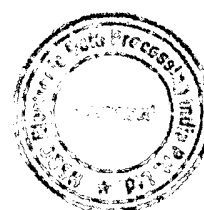
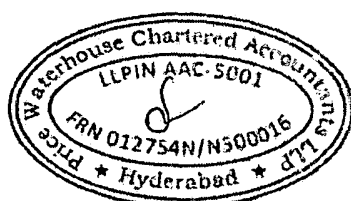
Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in financial statements.

The areas involving critical estimates or judgments are:

- Estimated useful life of tangible and intangible assets - Note 3 and 5
- Estimation of defined benefit obligation - Note 15
- Estimation of provisions - Note 31
- Estimation of decommissioning liability - Note 31
- Estimation of fair value of forwards - Note 35

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

*S*



*[Signature]*

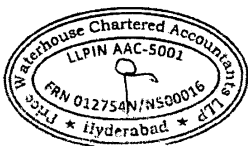


HSBC Electronic Data Processing India Private Limited  
Notes to financial statements for the year ended 31 March 2021  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

Note 3: Property, plant and equipment										
Particulars	Leasehold improvements	Computers	Air conditioners	Electrical equipments	Telecom equipments	Furniture and fixtures	Vehicles	Office equipments	Total	Capital work-in-progress
Year ended 31 March 2020										
Gross carrying amount										
Opening gross carrying amount	12,354.91	18,991.43	1,703.10	1,984.87	7,704.29	3,183.58	112.26	3,952.56	49,987.00	4,700.90
Additions during the year	14,481.59	8,291.12	596.80	362.80	4,163.93	1,729.00	-	573.88	30,199.12	27,119.41
Disposals during the year	(248.24)	(15.82)	(22.13)	(58.72)	(9.11)	(329.64)	(27.78)	(71.20)	(782.64)	-
Transfers	-	-	-	-	-	-	-	-	-	(30,517.35)
Closing gross carrying amount	26,588.26	27,266.73	2,277.77	2,288.95	11,859.11	4,582.94	84.48	4,455.24	79,403.48	1,302.96
Accumulated depreciation										
Opening accumulated depreciation	5,897.70	12,363.67	728.81	1,223.58	3,703.63	2,014.21	77.16	2,426.21	28,434.97	-
Depreciation charge during the year	4,460.29	4,242.67	199.33	365.92	1,433.90	774.39	11.51	701.33	12,189.34	-
Disposals during the year	(248.24)	(15.70)	(3.22)	(57.10)	(3.42)	(253.63)	(19.55)	(51.49)	(652.35)	-
Closing accumulated depreciation	10,109.75	16,590.64	924.92	1,532.40	5,134.11	2,534.97	69.12	3,076.05	39,971.96	-
Net carrying amount	16,478.51	10,676.09	1,352.85	756.55	6,725.00	2,047.97	15.36	1,379.19	39,431.52	1,302.96
Year ended 31 March 2021										
Gross carrying amount										
Opening gross carrying amount	26,588.26	27,266.73	2,277.77	2,288.95	11,859.11	4,582.94	84.48	4,455.24	79,403.48	1,302.96
Additions during the year	3,384.91	11,256.38	403.95	475.34	5,733.73	777.44	-	629.89	22,661.64	21,852.79
Disposals during the year	(1,554.30)	(335.29)	(315.84)	(622.14)	(215.18)	(192.47)	-	(295.43)	(3,530.65)	-
Transfers	-	-	-	-	-	-	-	-	-	(23,095.53)
Closing gross carrying amount	28,418.87	38,187.82	2,365.88	2,142.15	17,377.66	5,167.91	84.48	4,789.70	98,534.47	60.22
Accumulated depreciation										
Opening accumulated depreciation	10,109.75	16,590.64	924.92	1,532.40	5,134.11	2,534.97	69.12	3,076.05	39,971.96	-
Depreciation charge during the year	3,982.43	6,374.33	204.14	393.57	1,997.45	934.31	5.12	634.21	14,525.56	-
Disposals during the year	(1,072.04)	(335.29)	(132.67)	(581.00)	(70.52)	(165.98)	-	(146.75)	(2,504.25)	-
Closing accumulated depreciation	13,020.14	22,629.68	996.39	1,344.97	7,061.04	3,303.30	74.24	3,563.51	51,993.27	-
Net carrying amount	15,398.73	15,558.14	1,369.49	797.18	10,316.62	1,864.61	10.24	1,226.19	46,541.20	60.22

Notes :

i) Refer note 25 for disclosure of contractual commitments for acquisition of property, plant and equipment



**Note 4: Right-of-use asset**

This note provides information for leases where the group is a lessee.

**i) Amount recognised in balance sheet**

	As at 31 March 2021	As at 31 March 2020
Buildings	51,291.41	67,670.66
<b>Total</b>	<b>51,291.41</b>	<b>67,670.66</b>

**ii) Amount recognised in the statement of profit and loss**

Particulars	As at 31 March 2021	As at 31 March 2020
Depreciation charge of Right-of-use asset		
Buildings	14,605.91	16,346.52
<b>Total</b>	<b>14,605.91</b>	<b>16,346.52</b>

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Interest expense (included in finance costs)	22	6,343.87	7,383.72
Expenses relating to short-term leases (included in other expenses)	23	635.21	887.28
Expenses relating to leases of low value assets that are not shown above as short term leases (included in other expenses)	23	40.89	60.63
<b>Total</b>		<b>7,019.97</b>	<b>8,331.63</b>

The total cash outflow for leases for the year was INR 16,785.92 (31 March 2020 was INR 17,990.61).

**Note 5: Intangible assets**

Particulars	Computer Software
Year ended 31 March 2020	
Gross carrying amount	
Opening gross carrying amount	3,089.83
Additions during the year	316.23
Closing gross carrying amount	3,406.06
Accumulated depreciation	
Opening accumulated depreciation	2,657.60
Depreciation charge during the year	510.98
Closing accumulated depreciation	3,177.58
Net carrying amount	230.48
Year ended 31 March 2021	
Gross carrying amount	
Opening gross carrying amount	3,406.06
Additions during the year	433.89
Closing gross carrying amount	3,841.95
Accumulated depreciation	
Opening accumulated depreciation	3,177.58
Depreciation charge during the year	151.29
Closing accumulated depreciation	3,328.87
Net carrying amount	513.08

**Note 6: Financial assets**

**Note 6(a): Trade receivables**

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Trade receivables from related parties (refer note 26)	44,476.93	45,800.01
Unsecured, considered doubtful	-	-
Trade receivables from related parties (refer note 26)	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>44,476.93</b>	<b>45,800.01</b>
Current portion	44,476.93	45,800.01
Non-current portion	-	-

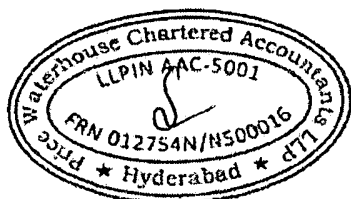
**Note 6(b): Cash and cash equivalents**

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks (refer note 25)		
- in current accounts	3,440.44	11,398.84
- in current accounts (outside India)	1,366.16	569.36
- in EEFC accounts	4,685.86	29,954.90
Deposits with maturity of less than 3 months (including interest accrued thereon)	92,131.95	59,455.63
<b>Total</b>	<b>101,624.41</b>	<b>101,379.53</b>

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

**Note 6(c): Other financial assets**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Security deposits				
- Unsecured, considered good	3,247.73	5,100.45	828.81	7,947.01
<b>Total</b>	<b>3,247.73</b>	<b>5,100.45</b>	<b>828.81</b>	<b>7,947.01</b>



*Handwritten signature*

HSBC Electronic Data Processing India Private Limited  
Notes to financial statements for the year ended 31 March 2021  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Note 7: Deferred tax assets**

The balance comprises temporary differences attributable to

Particulars	As at 31 March 2021	As at 31 March 2020
Property plant and equipment and intangibles	4,952.24	4,464.60
Defined benefit obligations	1,325.52	2,116.68
Provisions for employee benefit	7,113.66	5,109.80
Mark to market on derivatives	16.45	-
ROU asset and lease liability	2,032.70	1,096.69
<b>Total</b>	<b>15,440.57</b>	<b>12,787.77</b>

**Movement in deferred tax assets**

	Property plant & equipment and intangibles	Defined benefit obligations	Provisions for employee benefit	Mark to Market on derivatives	ROU asset and lease liability	Total
As at 31 March 2019	4,581.43	3,504.26	6,676.13	1,011.74	-	16,173.06
(Charged)/credited:						
- to profit or loss	(516.83)	(1,291.24)	(1,566.33)	(1,011.74)	1,096.69	(3,288.95)
- to other comprehensive income	-	(96.34)	-	-	-	(96.34)
As at 31 March 2020	4,464.60	2,116.68	5,109.80	-	1,096.69	12,787.77
(Charged)/credited:						
- to profit or loss	487.64	(681.49)	2,003.86	16.45	936.01	2,762.47
- to other comprehensive income	-	(109.67)	-	-	-	(109.67)
As at 31 March 2021	4,952.24	1,325.52	7,113.66	16.45	2,032.70	15,440.57

**Note 8: Income tax assets**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Income tax paid under protest	-	19,327.31	-	19,327.31
Advance tax, net of provisions for tax	-	-	-	-
INR 121,604.82 (2020: INR 119,676.09)	-	6,433.58	-	6,840.73
Less: Provision against income tax litigations (refer note 31)	-	(10,478.69)	-	(10,478.69)
Total	-	15,282.20	-	15,689.35

**Note 9: Contract assets and contract liabilities**

	As at 31 March 2021		As at 31 March 2020	
Particulars	Current	Non-current	Current	Non-current
Contract liabilities	-	-	16,104.35	-
Contract assets	837.70	-	-	-
Total	837.70	-	16,104.35	-

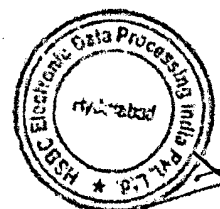
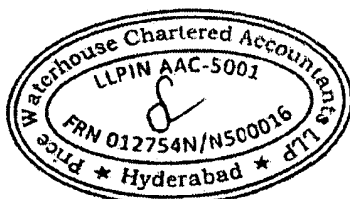
**Significant changes in contract assets and liabilities -**

- contract liability of INR 16,104.35 lakhs as at 31 March 2020 represents revenue billed to customers in advance and contract asset of INR 837.70 lakhs as at 31 March 2021 represents revenue pending billing to customers for the said period.

**Note 10: Other assets**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Unsecured considered good				
Capital advances	-	105.14	-	-
Claims receivables	-	8,966.56	-	9,196.08
Balances with government authorities	-	7,486.86	-	8,229.44
Prepaid expenses	7,839.08	213.92	6,151.99	-
Security deposit	-	202.64	-	218.21
Advances to supplier	1,102.70	-	3,777.97	-
Total	8,941.78	16,975.12	9,929.96	17,643.73

*S*



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
 (All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>Note 11: Equity share capital</b>		
Authorised		
45,800,000 (as at 31 March 2020 : 45,800,000 ) equity shares of INR 100 each	45,800.00	45,800.00
Issued, subscribed and paid-up		
35,546,781 (as at 31 March 2020 : 35,546,781) equity shares of INR 100 each	35,546.78	35,546.78

**a) Rights, preferences and restrictions attached to equity shares:**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

**b) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2021 and 31 March 2020 is set out below:**

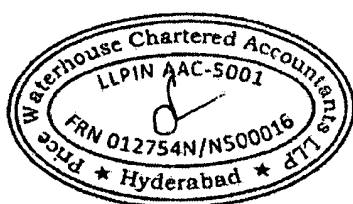
Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	35,546,781	35,546.78	35,546,781	35,546.78
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	35,546,781	35,546.78	35,546,781	35,546.78

**c) The details of shareholder holding more than 5% shares as at 31 March 2021 and as at 31 March 2020 are set out below:**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
HSBC Holdings B.V., Netherlands	34,579,634	97.28%	34,579,634	97.28%

**d) Shares held by Company's holding company, ultimate holding company and their subsidiaries/associates are as below:**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
HSBC Holdings B.V., Netherlands, the holding Company	34,579,634	34,579.63	34,579,634	34,579.63
HSBC Finance (Netherlands), holding Company of the Company's holding Company	967,139	967.14	967,139	967.14
HSBC Group Nominees UK Limited, UK, subsidiary of the Company's ultimate holding Company	8	0.01	8	0.01
<b>Total</b>	<b>35,546,781</b>	<b>35,546.78</b>	<b>35,546,781</b>	<b>35,546.78</b>



HSBC Electronic Data Processing India Private Limited  
Notes to financial statements for the year ended 31 March 2021  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>Note 12: Other equity</b>		
Particulars		
Securities premium reserve	5,564.72	5,564.72
General reserve	8,350.53	8,350.53
Share options outstanding account	1,267.11	1,267.11
<b>Retained earnings</b>	<b>130,701.58</b>	<b>107,962.49</b>
<b>Total</b>	<b>145,883.94</b>	<b>123,144.85</b>

	As at 31 March 2021	As at 31 March 2020
<b>(i) Securities premium reserve</b>		
Particulars		
Opening balance	5,564.72	5,564.72
Closing balance	5,564.72	5,564.72

	As at 31 March 2021	As at 31 March 2020
<b>(ii) General reserve</b>		
Particulars		
Opening balance	8,350.53	8,350.53
Closing balance	8,350.53	8,350.53

	As at 31 March 2021	As at 31 March 2020
<b>(iii) Share options outstanding account</b>		
Particulars		
Opening balance	1,267.11	1,267.11
Employee stock option expense	-	-
Closing balance	1,267.11	1,267.11

	As at 31 March 2021	As at 31 March 2020
<b>(iv) Retained earnings</b>		
Particulars		
Opening balance	107,962.49	54,269.83
Net profit for the year	62,580.88	53,405.23
Items of other comprehensive income recognised directly in retained earnings		
(a) Remeasurement of post-employment benefit obligation net of tax	326.08	286.43
Dividends*	(56,151.08)	-
Tax on Dividends	(4,016.79)	-
Closing balance	130,701.58	107,962.49

\* Dividend per share of INR 113 per share for 35,546,781 number of shares outstanding as at date.

**Nature and purpose of reserves**

**Securities premium reserve**

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

**General reserve**

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

**Share options outstanding account**

Share options outstanding account is used to recognise the grant date fair value of options issued to the employees under HSBC Share plans.

**Note 13: Financial liabilities**

**Note 13(a) Current borrowings**

Particulars	Maturity date and terms of payment	Interest rate	As at 31 March 2021	As at 31 March 2020
Secured				
Working capital loan from Bank	Payable on demand	10%	-	15,000.00
<b>Total</b>			-	15,000.00

**Net Debt Reconciliation**

This section sets out the changes in liabilities arising from financing activities in the statement of cash flows:

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	101,624.41	101,378.53
Current borrowings	-	(15,000.00)
Lease liability	(56,204.75)	(69,250.45)
<b>Net cash and cash equivalents</b>	<b>45,419.66</b>	<b>17,128.08</b>

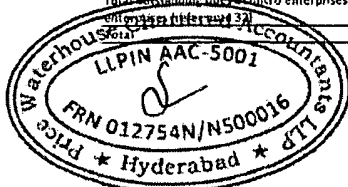
	Cash and cash equivalents	Current borrowings	Lease liability	Total
Net cash and cash equivalents as at 01 April 2019	38,089.63	30,000.00	80,273.96	(72,184.33)
Cash flows	60,453.12	(15,000.00)	(17,990.62)	93,443.74
Foreign exchange adjustments	2,835.78	-	-	2,835.78
Interest expenses	-	3,048.52	6,967.11	(10,015.63)
Interest paid	-	(3,048.52)	-	3,048.52
<b>Net cash and cash equivalents as at 31 March 2020</b>	<b>101,378.53</b>	<b>15,000.00</b>	<b>69,250.45</b>	<b>17,128.08</b>
Net debt as at 01 April 2020	101,378.53	15,000.00	69,250.45	17,128.08
Cash flows	(319.79)	(15,000.00)	(16,785.92)	31,466.13
Foreign exchange adjustments	565.67	-	-	565.67
Lease modifications	-	-	(2,156.71)	2,156.71
Interest expenses	-	421.74	5,806.93	(6,318.67)
Interest paid	-	(421.74)	-	421.74
<b>Net cash and cash equivalents as at 31 March 2021</b>	<b>101,624.41</b>	<b>-</b>	<b>56,204.75</b>	<b>45,419.66</b>

**Note 13(b): Lease Liability**

	As at 31 March 2021	As at 31 March 2020
Particulars		
Lease liability	11,491.95	44,712.80
<b>Total</b>	<b>11,491.95</b>	<b>44,712.80</b>

**Note 13(c): Trade payables**

	As at 31 March 2021	As at 31 March 2020
Particulars		
Trade payable to other parties	10,241.72	6,745.12
Trade payables to related parties (refer note 26 D(ii))	3,163.54	2,977.51
<b>Total</b>	<b>13,405.26</b>	<b>9,722.63</b>



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
 (All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Note 13(d) Other financial liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Payable to related parties (refer note 26 D(iii))		
Share save liability	153.22	-
Payable to other		
Capital creditors	334.64	439.41
Bank overdraft	89.00	6.41
Derivatives	65.37	-
Share option scheme payable	711.45	736.41
<b>Total</b>	<b>1,353.68</b>	<b>1,182.23</b>

**Note 14: Provisions**

Particulars	As at 31 March 2021	Non-current	As at 31 March 2020	Non-current
Current			Current	
Provision for VAT litigations (refer note 31)	236.33	-	236.33	-
(net of amount paid under protest for ITR 88.54 (2020: INR 88.54))	-	-	-	-
Provision for service tax litigation (refer note 31)	1,301.64	-	1,301.64	-
<b>Decommissioning liability* (refer note 31)</b>		<b>5,139.50</b>		<b>5,166.10</b>
<b>Total</b>	<b>1,537.97</b>	<b>5,139.50</b>	<b>1,537.97</b>	<b>5,166.10</b>

\*Decommissioning liability on leasehold properties has been created at the inception of lease period based on management's estimate of cash outflows discounted at the rate equal to government bond rate plus 1% risk premium. Interest is unwinded in each period on the decommissioning liability initially created until the liability has been extinguished.

**Note 15: Employee benefit obligations**

Particulars	As at 31 March 2021	Non-current	As at 31 March 2020	Non-current
Current			Current	
Gratuity	-	5,766.71	-	8,410.23
Leave obligation	4,857.25	-	-	-
<b>Total</b>	<b>4,857.25</b>	<b>5,766.71</b>	<b>-</b>	<b>8,410.23</b>

**i) Post employment obligations of Gratuity**

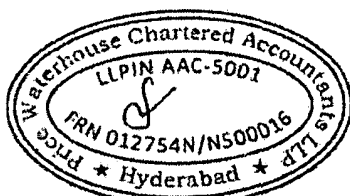
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous employment for a period of 4.5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to its trust administered by UC. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payouts.

**b) Defined contribution plans**

The Company also has certain defined contribution plans. Contributions made to Provident Fund in India 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 contractual obligation. The expense recognised during the period towards defined contribution plan is Rs. 13,276.39 (31 March, 2020: Rs. 13,169.02)

The amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 31 March 2019	30,294.12	(20,265.89)	10,028.23
Current service cost	5,081.88	-	5,081.88
Past service cost	-	-	-
Interest expense/(income)	2,198.27	(1,701.67)	496.60
<b>Total amount recognised in profit or loss</b>	<b>7,280.15</b>	<b>(1,701.67)</b>	<b>5,578.48</b>
Remeasurements			
-Return on plan assets, excluding amounts included in interest expense/(income)	-	349.98	349.98
-(Gain)/Loss from change in demographic assumptions	-	-	-
interest expense/(income)	-	-	-
-(Gain)/Loss from change in financial assumptions	-	-	-
interest expense/(income)	(654.27)	-	(654.27)
-Experience (gains)/losses	-	-	-
interest expense/(income)	(78.48)	-	(78.48)
<b>Total amount recognised in other comprehensive income</b>	<b>(732.75)</b>	<b>349.98</b>	<b>(382.77)</b>
Employer contributions	-	(6,813.71)	(6,813.71)
Benefit payments	(1,957.50)	1,957.50	-
<b>As at 31 March 2020</b>	<b>34,874.02</b>	<b>(26,463.79)</b>	<b>8,410.23</b>
Current service cost	5,519.86	-	5,519.86
Past service cost	-	-	-
Interest expense/(income)	2,282.85	(2,004.32)	278.53
<b>Total amount recognised in profit or loss</b>	<b>7,802.71</b>	<b>(2,004.32)</b>	<b>5,798.39</b>
Remeasurements			
-Return on plan assets, excluding amounts included in interest expense/(income)	-	(111.83)	(111.83)
-(Gain)/Loss from change in demographic assumptions	-	-	-
interest expense/(income)	-	-	-
-(Gain)/Loss from change in financial assumptions	-	-	-
interest expense/(income)	-	-	-
-Experience (gains)/losses	-	-	-
interest expense/(income)	(323.92)	-	(323.92)
<b>Total amount recognised in other comprehensive income</b>	<b>(323.92)</b>	<b>(111.83)</b>	<b>(435.75)</b>
Employer contributions	-	(8,506.16)	(8,506.16)
Benefit payments	(1,603.22)	1,603.22	-
<b>As at 31 March 2021</b>	<b>40,749.59</b>	<b>(35,482.88)</b>	<b>5,266.71</b>



HSDC Electronic Data Processing India Private Limited  
Notes to financial statements for the year ended 31 March 2021  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

Net liability disclosed above is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of funded obligations	40,749.59	34,874.02
Fair value of plan assets	(35,482.88)	(26,463.79)
Deficit of funded plan	5,266.71	8,410.23
Unfunded plans	-	-
Deficit of gratuity plan	5,266.71	8,410.23

Significant estimates: Actuarial assumptions and sensitivity

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.70%	6.70%
Salary growth rate	9.00%	9.00%
Retirement age	60 years	60 years
Attrition rate		
Upto 20 years	20.00%	20.00%
21-25 years	20.00%	20.00%
26-30 years	20.00%	20.00%
31-35 years	13.00%	13.00%
36-40 years	9.00%	9.00%
41-45 years	7.00%	7.00%
46-50 years	6.00%	6.00%
51-55 years	5.00%	6.00%
56-60 years	5.00%	5.00%
Mortality rate	India assured lives mortality (2006-08) (modified) Ult	India assured lives mortality (2006-08) (modified) Ult

Sensitivity analysis

Particulars	Change in assumption		Impact on defined benefit obligation			
	31 March 2021	31 March 2020	Increase in assumption	31 March 2021	31 March 2020	Decrease in assumption
Discount rate	0.5%	0.5%	(2,003.48)	(1,732.54)	2,172.31	1,580.91
Salary growth rate	1%	1%	4,390.23	3,803.78	(3,815.95)	(3,298.02)
Attrition rate	2%	2%	(1,467.67)	(1,320.97)	1,857.39	1,672.40

The above sensitivity analysis are based on a change in assumption while holding other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (Present value of 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 major category of plan assets are:

Particulars	As at 31 March 2021	As at 31 March 2020
Schemes of insurance (conventional products)	100%	100%

Undiscounted expected benefit payout

Particulars	As at 31 March 2021	As at 31 March 2020
< 1 years	2,839.88	2,460.48
1-5 years	15,905.78	13,979.31
> 5 years	27,818.52	25,309.60

Risk exposure: Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- 1) 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.
- 2) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
- 3) 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.

ii) Leave obligations

The leave obligations cover the entity's liability for earned leave which are classified as other short-term benefits.

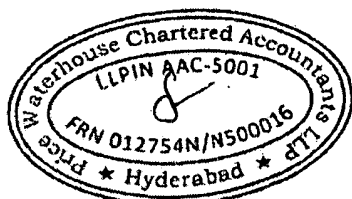
The entire amount of the provision of INR 4,857.25 (31 March 2020 - INR Nil) is presented as current, since the entity does not have an unconditional right to defer settlement for any of these obligations.

Note 16: Current tax liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	42.84	2,640.94
Current tax payable	24,054.00	22,654.12
Less: Taxes paid	(22,600.77)	(25,752.22)
Total	1,496.07	47.84

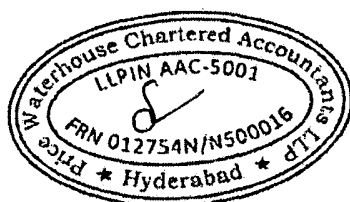
Note 17: Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	25,145.69	24,325.02
Employee benefits payable	14,495.20	11,706.34
Total	39,640.89	35,532.36



HSBC Electronic Data Processing India Private Limited  
Notes to financial statements for the year ended 31 March 2021  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Note 18: Revenue from operations</b>		
<b>Particulars</b>		
Sale of back office services (refer note 26)		
to customers within India	20,238.90	23,683.37
to customers outside India	530,942.27	507,346.30
<b>Total</b>	<b>551,181.17</b>	<b>531,029.67</b>
<b>Note 19: Other income</b>		
<b>Particulars</b>		
Interest on term deposits (refer note 26)	1,725.59	1,204.86
Interest unwinding on security deposit	681.70	727.25
Net gain on foreign currency transaction and translation	-	8,570.22
Gain on reversal of lease liability	599.87	-
Miscellaneous income	22.67	20.93
<b>Total</b>	<b>3,029.83</b>	<b>10,523.26</b>
<b>Note 20: Employee benefits expenses</b>		
<b>Particulars</b>		
Salaries, wages and bonus (refer note 26)	306,547.32	295,765.73
Contribution to provident and other funds (refer note (a) below)	13,276.39	13,169.02
Gratuity (refer note 15)	5,798.39	5,578.48
Staff welfare expenses	3,642.07	3,978.35
<b>Total</b>	<b>329,264.17</b>	<b>318,491.58</b>
<b>Note (a) : Break up of contributions to Provident &amp; other funds</b>		
Contribution to Provident fund	12,877.14	12,851.52
Contribution to National pension scheme	399.25	317.50
	<b>13,276.39</b>	<b>13,169.02</b>
<b>Note 21: Depreciation and amortization expense</b>		
<b>Particulars</b>		
Depreciation of property, plant and equipment	14,525.57	12,189.35
Depreciation of Right of use assets	14,605.93	16,346.52
Amortization of intangible assets	151.29	519.97
<b>Total</b>	<b>29,282.77</b>	<b>29,055.84</b>
<b>Note 22: Finance cost</b>		
<b>Particulars</b>		
Unwinding of interest on decommissioning liability	446.94	416.61
Interest on borrowing (refer note 26)	421.74	3,048.52
Interest on lease liability	5,896.93	6,967.11
<b>Total</b>	<b>6,765.61</b>	<b>10,432.24</b>





HSBC Electronic Data Processing India Private Limited  
Notes to financial statements for the year ended 31 March 2021  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Note 23: Other expenses</b>		
Particulars		
Traveling and conveyance	823.73	15,877.68
Rent (refer note 26)	676.10	947.91
Recruitment and relocation	4,305.91	3,286.48
Power and fuel	2,837.57	6,618.93
Repairs and maintenance		
- equipment	2,757.51	1,766.56
- buildings	8,700.84	8,996.63
- others	4,238.64	4,586.01
Software maintenance (refer note 26)	33,482.80	29,825.08
Legal and professional	27,746.84	18,838.52
Office expenses	522.61	6.79
Staff training expenses	2,261.32	3,191.12
Foreign exchange loss, net	2,105.75	-
Insurance	4,434.31	4,045.72
Communication	5,186.72	3,122.25
Printing and stationery	517.32	254.69
Bank charges (refer note 26)	315.70	224.38
Rates and taxes	350.15	383.04
Auditors' remuneration (refer note 29)	38.16	34.90
Expenditure towards corporate social responsibility (CSR) (refer note 30)	1,516.86	1,398.06
Net loss on sale of fixed assets	467.69	86.22
Assets written off	518.96	-
Miscellaneous expenses	804.29	732.99
<b>Total</b>	<b>104,609.78</b>	<b>104,223.96</b>

**Note 24: Income tax expense**

	Year ended 31 March 2021	Year ended 31 March 2020
<b>a) Recognised in the statement of profit and loss</b>		
Domestic taxes - current year	24,043.37	23,096.58
Domestic taxes - prior year	416.26	(451.35)
Foreign taxes	10.63	8.89
<b>Total current tax</b>	<b>24,470.26</b>	<b>22,654.12</b>
<b>Deferred tax</b>		
Domestic taxes	(2,762.47)	3,288.96
<b>Total income tax expenses</b>	<b>21,707.79</b>	<b>25,943.08</b>

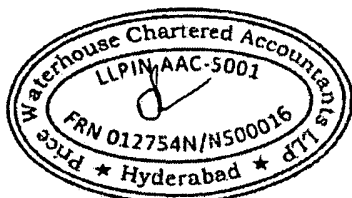
\* The Company has entered into an Advance Pricing Agreement under Section 92CC of the Income Tax Act, 1961 on 29 August 2016 which is effective from Financial Year 2014-15 till Financial Year 2018-19. The Company has filed for the renewal of APA agreement which will be valid from the FY 2019-20 till FY 2023-24.

**b) Recognised in other comprehensive income**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Deferred tax		
In respect of the current year	109.67	96.34
	<b>109.67</b>	<b>96.34</b>

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax from continuing operations	84,288.67	79,349.31
Income tax expense calculated at 25.168% (2019-20: 25.168%)	21,213.77	19,970.63
Effect of expenses that are not deductible in determining taxable profit	210.65	219.27
Adjustment on account of change in Income tax rate from previous year	-	6,280.16
Adjustments recognised in the current year in relation to the current tax of prior years	416.26	(451.35)
Others	(132.89)	(75.63)
<b>Income tax expense recognised in profit or loss</b>	<b>21,707.79</b>	<b>25,943.08</b>



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Note 25: Commitments and contingent liabilities**

		As at 31 March 2021	As at 31 March 2020
(i)	Claims against the Company not acknowledged as debts in respect of:		
	(a) Income tax claims, including interest and penalty, pending decisions on various appeals made by the Company, net of amounts provided in books INR Nil (previous year INR Nil) (amounts paid under protest INR 8,787.66 (2020 - INR 8,787.66))	13,313.96	13,581.50
	(b) Value added tax claim, pending decision on appeal made by the Company	12,158.78	12,158.78
	(c) Service tax claims, including penalty on irregular availment of service tax credit on ineligible input services and non-payment of service tax for the period FY 2010-2011 to FY 2014-2015, pending decision on appeal made by the Company	3,276.67	3,276.67
(ii)	Estimated amount of capital contracts remaining to be executed and not provided for.	1,080.29	2,492.48
(iii)	The Company had received a favorable order from the Income Tax Appellate Tribunal on account of disputed Income Tax Litigations for the Financial Years 2002-03 to 2004-05 and 2006-07 to 2008-09. Subsequently the consequential refund order was passed by the assessing officer. However the Income Tax Department has gone for further appeals to the Hon'ble High Court challenging the grounds, but no further demand has been raised. Accordingly, pending adjudication by the Hon'ble High Court the impact cannot be quantified.		

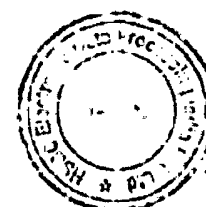
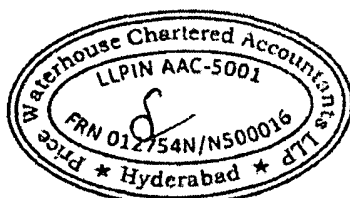
**Note 26: Related parties**

**A) Parties where control exists**

S. No.	Name of the party	Relationship
1	HSBC Holdings plc	Ultimate holding company
2	HSBC Holdings B.V.	Immediate holding company

**B) Parties under common control**

S. No.	Name of the party
1	The Hongkong and Shanghai Banking Corporation Limited, Hong Kong, India Branch ("HSBC Bank India Branch")
2	HSBC Professional Services (India) Private Limited
3	HSBC Software Development (India) Private Limited
4	HSBC Asset Management (India) Private Limited
5	HSBC Global Services Limited
6	HSBC Bank plc.
7	HSBC Finance Transformation (UK) Ltd
8	HSBC Finance Corporation
9	The Hongkong and Shanghai Banking Corporation Limited
10	HSBC Technology & Services (USA) Inc.
11	HSBC Service Delivery (Polska) Sp. z o.o.



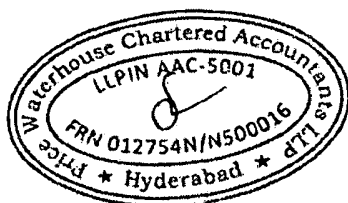
**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
 (All amounts in Indian rupees lakhs, except share data and where otherwise stated)

12	HSBC InvestDirect Financial Services (India) Limited
13	HSBC Software Development (Guangdong) Limited
14	HSBC Software Development (Malaysia) Sdn Bhd
15	HSBC Bank Canada
16	HSBC Bank Middle East Limited
17	HSBC Securities and Capital Markets (India) Private Limited
18	HSBC Global Asset Management (France)
19	HSBC Bank (Singapore) Limited
20	HSBC Global Services (UK) Limited
21	The Hongkong and Shanghai Banking Corporation Limited, Phillipines Branch
22	The Hongkong and Shanghai Banking Corporation Limited, Sri Lanka Branch
23	HSBC Global Services (Hong Kong) Limited
24	HSBC EDPI Private Limited Employees Group Gratuity cum Life Assurance - Post employee benefit plan*
25	HSBC PB Services (Suisse) SA
26	HSBC Global Services (CANADA) LTD
27	HSBC Group Management Services Limited
28	HSBC Electronic Data Processing (Guangdong) Limited
29	HSBC Electronic Data Service Delivery (Egypt) S.A.E.
30	HSBC Electronic Data Processing (Philippines), Inc.
31	HSBC Electronic Data Processing Lanka (Private) Limited
32	HSBC Global Services (China) Holdings Limited
33	Electronic Data Process Mexico, S.A. de C.V.
34	HSBC Continental Europe.

\*Refer note 15 for information on transactions with post employee benefit plan mentioned

**C) Key managerial personnel:**

S.No.	Name of party	Relationship
1	Delphine Antonutti	Director
2	Paul Anthony Raddon	Director
3	Prasad S Ravi	Director (Upto 24 November 2020)
4	Mark Body	Director (Effective 03 December 2019)
5	Mamatha Madireddy	Director (Effective 07 June 2021)



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
 (All amounts in Indian rupees lakhs, except share data and where otherwise stated)

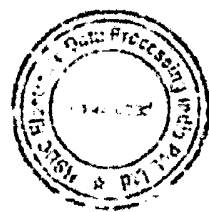
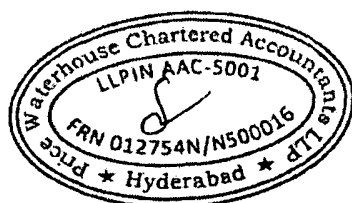
**D) Particulars of related party transactions**

**i. Following is a summary of significant related party transactions:**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Income from back office services:		
- HSBC Global Services Limited	530,942.27	507,346.30
- HSBC Bank India Branch	18,072.37	20,511.65
- Others	2,166.53	3,171.72
Other income:		
Interest earned on fixed deposit:		
- HSBC Bank India Branch	1,725.59	1,204.86
Other expenses (other than HSBC Bank India Branch):		
- HSBC Global Services UK Ltd	15,624.03	11,365.64
- HSBC Holdings plc	6,600.78	8,593.52
- HSBC Global Services (Hong Kong) Limited	4,102.21	3,916.97
- Others	5,824.67	5,545.31
Transactions with HSBC Bank India Branch:		
- Rent and utility expenses	336.91	232.89
- Bank charges	315.70	224.38
- Interest on borrowing	421.74	3,048.52
- Borrowing/ (Repayment) during the year	(15,000.00)	15,000.00
Other transactions (capital expenditure):		
- HSBC Global Services UK Ltd	361.12	220.18
- HSBC Software Development (India) Private Ltd	31.73	394.50
Other transactions (sale of fixed assets):		
- HSBC Bank India Branch	13.96	-

**ii. Following is the summary financial guarantees with HSBC Bank India Branch:**

Particulars	As at 31 March 2021	As at 31 March 2020
Bank financial guarantees	12,797.03	12,730.56



*Handwritten signature*

**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**iii. The Company has the following balances with related parties:**

Particulars	As at	As at
	31 March 2021	31 March 2020
Trade Receivables:		
- HSBC Global Services Limited	41,500.01	43,320.77
- Others	2,976.92	2,479.24
Balances held in bank accounts:		
- HSBC Bank India Branch	100,258.25	100,809.17
- HSBC Bank plc (held outside India)	1,366.16	569.36
Trade Payables (amounts net of TDS/WHT wherever applicable)		
- HSBC Global Services (UK) Limited	2,295.51	1,230.45
- HSBC Holdings plc	(7.45)	615.60
- HSBC Bank plc	1,161.47	413.11
- HSBC Software Development (India) Private Ltd	73.34	344.48
- HSBC Global Services (Hong Kong) Limited	(512.41)	207.31
- Others	153.08	166.55
Due to: (included in Other financial liabilities)		
- HSBC Asset Management (India) Private Limited	7.47	-
- HSBC Securities and Capital Markets (India) Private Limited	76.80	-
- HSBC Software Development (India) Private Limited	68.95	-
Current borrowing:		
- The Hongkong and Shanghai Banking Corporation Limited	-	15,000.00

Note: Due to the voluminous nature of information to be provided in respect of deposit/withdrawal/ renewal of the bank accounts (Current account, Export Earners Foreign Currency account and Deposit accounts) held with HSBC Bank India Branch, only the closing balance of balances held with the bank has been provided.

**E) Transactions with key management personnel**

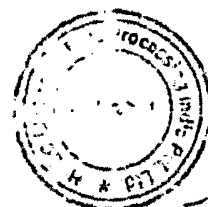
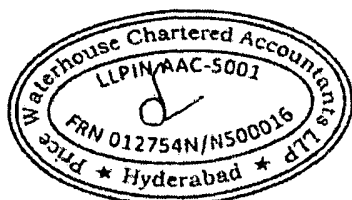
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, bonus and allowances	551.88	622.42
Perquisites	268.59	194.33
<b>Total</b>	<b>820.47</b>	<b>816.75</b>

Details of remuneration paid to key management personnel are given in Annexure I.

**Note 27: Earnings per share**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit after tax	62,580.88	53,406.23
Weighted average number of equity shares outstanding during the year – Basic *	35,546,781	35,546,781
Basic Earnings per share – Par value of INR 100	176.05	150.24

\*There is no dilution as there are no dilutive equity shares



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Note 28: Segment Information**

The Company is in the business of providing electronic data processing, call center and professional services collectively referred as 'back office services' to various overseas entities of the HSBC group. The Company does not make any distinction amongst the various HSBC group entities serviced and accordingly it has been assessed that there is only one reportable segment.

Geographical segment of the Company as follows:

Particulars	Segment Revenue by location of customer		Non-current assets by location of customer	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
UK	530,942.27	507,346.30	-	-
India	20,238.90	23,683.37	115,381.03	126,279.35
<b>Total</b>	<b>551,181.17</b>	<b>531,029.67</b>	<b>115,381.03</b>	<b>126,279.35</b>

Refer note 26(D) for revenues from major customers of the Company.

**Note: 29: Details of payment to auditors**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Audit fees	33.90	29.90
Tax audit fees	2.50	2.50
Certification fees	1.50	1.50
Reimbursement of expenses	0.26	1.00
<b>Total</b>	<b>38.16</b>	<b>34.90</b>

**Note 30: Details of corporate social responsibility expenditure**

The Company had to spend INR 1,516.86 (2020: 1,398.06) towards CSR activities, computed as per the requirements of Section 135 of the Companies Act, 2013 read with Schedule VII. The management has donated an amount of INR 1,516.86 (2020: 1,398.06) to charitable organizations towards CSR activities during the year ended March 31, 2021. Refer the disclosures below in respect of CSR expenditure:

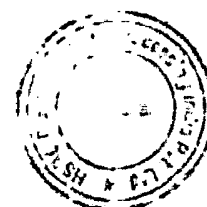
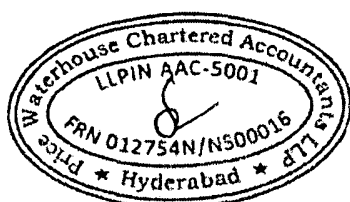
- (a) The gross amount required to be spent by the Company during the year is INR 1,516.86 (2020: INR 1,398.06).  
(b) Amount approved by the Board to be spent during the year is INR 1,516.86 (2020: INR 1,398.06).  
(c) Amount spent during the year on:

**Year ended 31 March 2021:**

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than above	1,516.86	-	1,516.86

**Year ended 31 March 2020:**

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than above	1,398.06	-	1,398.06



**HSBC Electronic Data Processing India Private Limited**

**Notes to financial statements for the year ended 31 March 2021**

(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Note 31: Provision against tax litigation, legal matters and Decommissioning liability**

**Provision for income tax matters:** Provision for income tax matters is largely in respect of transfer pricing and other expense disallowance related litigations. Cash flows, if any, are expected on completion of assessments/adjudication by the relevant authorities.

Income Tax	As at 31 March 2021	As at 31 March 2020
Opening balance	10,478.69	10,478.69
Add: Provision/(reversal) made during the year	-	-
Closing balance	10,478.69	10,478.69

**Provision for service tax litigation:** Provision for service tax matter is related to Non-payment of service tax on intermediary services provided to employees of group entities. Outcome of the same is dependent on the completion of assessments/adjudication by the relevant authorities.

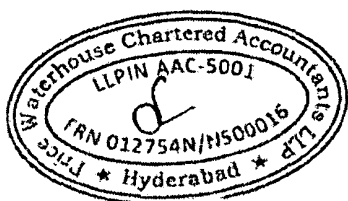
Provision for service tax litigation	As at 31 March 2021	As at 31 March 2020
Opening balance	1,301.64	1,304.13
Add: Provision/(reversal) made during the year	-	(2.49)
Closing balance	1,301.64	1,301.64

**Provision for VAT litigation:** Provision for VAT relate to difference in taxable values and Penalty for non compliance of Customs Act & VAT 2003. Outcome of the same is dependent on the cash flows, if any, are expected on completion of assessments/adjudication by the relevant authorities.

Provision against VAT Litigations	As at 31 March 2021	As at 31 March 2020
Opening balance	236.33	236.33
Add: Provision/(reversal) made during the year	-	-
Less: Amounts paid under protest	-	-
Closing balance	236.33	236.33

**Decommissioning liability:** Provision for decommissioning liability is on account of expected cost to be incurred for restoring the leasehold premises to the original state.

Decommissioning liability	As at 31 March 2021	As at 31 March 2020
Opening balance	5,166.10	4,749.49
Add: Interest unwinding	446.94	416.61
Add: Provision/(reversal) made during the year	(473.54)	-
Closing balance	5,139.50	5,166.10



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Note 32: Amounts payable to micro, small and medium enterprises**

Disclosure of payable to vendors as defined under the 'Micro, Small and Medium Enterprise Development Act, 2006' (MSMED) is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per intimation received from the vendors at the request of the Company. The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(i) The principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(ii) Interest due to suppliers registered under MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) Interest paid other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii) Further interest remaining due and payable for earlier years.	-	-

**Note 33: Capital management**

**(a) Risk management**

The Company has equity capital and other reserves attributable to shareholders as the source of capital along with borrowings from HSBC Bank.

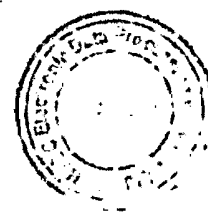
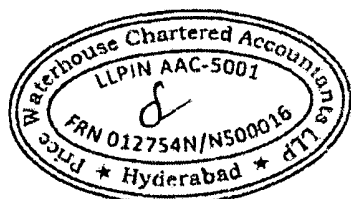
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net debt	-	15,000.00
Total equity	181,430.72	158,691.63
Net debt to equity ratio	-	9.45%

**(b) Dividends**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Dividend paid (inclusive of dividend distribution tax)	40,167.87	-

**Note 34: Financial risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposure. Derivatives are used exclusively for hedging and not as trading or speculative instruments.





**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**A) Credit risk**

Credit risk arises from cash and cash equivalents, instruments carried at amortized cost and deposits with banks, as well as credit exposures to customers including outstanding receivables.

**(i) Credit risk management**

- A. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external agencies.
- B. Credit risk on security deposits, trade receivables and contract assets are evaluated as follows:

**Year ended 31 March 2021:**

**(a) Expected credit loss for financial assets where general model is applied**

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition - Loss allowance measured at 12 month expected credit losses	Security deposits	8,348.18	-	-	8,348.18

**(b) Expected credit loss for trade receivables under simplified approach:**

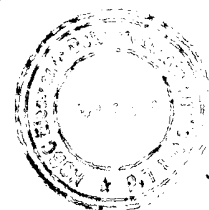
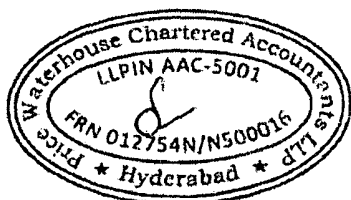
Particulars	Less than or equal to 6 months	More than 6 months	Total
Gross carrying amount	44,476.93	-	44,476.93
Expected credit loss rate	-	-	-
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables and contract assets	44,476.93	-	44,476.93

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled revenue and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

**Year ended 31 March 2020:**

**(a) Expected credit loss for financial assets where general model is applied**

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition - Loss allowance measured at 12 month expected credit losses	Security deposits	8,775.82	-	-	8,775.82



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

b) Expected credit loss for trade receivables and contract assets under simplified approach:

Particulars	Less than or equal to 6 months	More than 6 months	Total
Gross carrying amount	45,800.01	-	45,800.01
Expected credit loss rate	-	-	-
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables and contract assets	45,800.01	-	45,800.01

Reconciliation of loss allowance:

Particulars	Trade receivables and contract asset	Security deposits
Loss allowance as at 31 March 2019	-	-
Add/(Less): allowance created/(reversed) during the year	-	-
Loss allowance as at 31 March 2020	-	-
Add/(Less): allowance created/(reversed) during the year	-	-
Loss allowance as at 31 March 2021	-	-

Significant estimates and judgments:

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows. This is generally carried by local management in accordance with practice and limits set by the HSBC group.

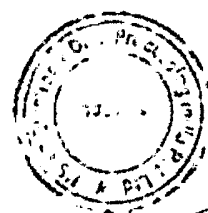
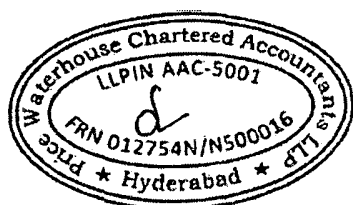
(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expiring within one year (other facilities)	30,000.00	15,000.00

(ii) Maturities of financial liabilities

Contractual maturities of financial liabilities as at 31 March 2021	Less than 12 months	Greater than 12 months	Total
Lease liability	11,491.95	44,712.80	56,204.75
Trade Payable	13,405.26	-	13,405.26
Capital creditors	334.64	-	334.64
Bank overdraft	89.00	-	89.00
Derivative financial liability	65.37	-	65.37
Share save liability	153.22	-	153.22
Share option scheme payable	711.45	-	711.45
Total	26,250.89	44,712.80	70,963.69



HSBC Electronic Data Processing India Private Limited  
Notes to financial statements for the year ended 31 March 2021  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

Contractual maturities of financial liabilities as at 31 March 2020	Less than 12 months	Greater than 12 months	Total
Current borrowing	15,000.00	-	15,000.00
Lease liability	10,657.31	58,593.14	69,250.45
Trade Payables	9,722.63	-	9,722.63
Capital creditors	439.41	-	439.41
Book overdraft	6.41	-	6.41
Share option scheme payable	736.41	-	736.41
Total	36,562.17	58,593.14	95,155.31

C) Market risk

(i) Foreign currency risk

The Company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and GBP. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the Company is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

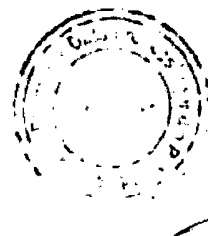
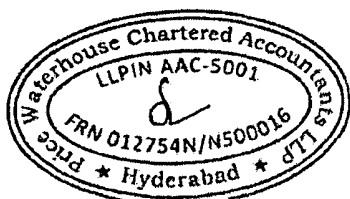
As per the risk management policy, maximum of 80% of total local currency costs are hedged.

Exposure	As at 31 March, 2021		As at 31 March, 2020	
	USD	GBP	USD	GBP
Foreign currency assets				
- Trade receivables	41,500.01	-	35,600.53	7,720.24
- Cash and bank	4,633.11	1,414.23	25,059.50	5,464.76
Foreign currency liabilities				
- Payables	(326.53)	3,406.18	372.77	2,256.79

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

Particulars	Impact on profit	
	Year ended 31 March 2021	Year ended 31 March 2020
USD Sensitivity		
INR/USD – Increase by 1%	824.33	606.10
INR/USD – Decrease by 1%	(824.33)	(606.10)
GBP Sensitivity		
INR/GBP – Increase by 1%	(19.83)	108.57
INR/GBP – Decrease by 1%	19.83	(108.57)



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Note 35: Fair value measurements**

**Financial instruments by category and hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized 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.

	Level	As at		As at	
		31 March 2021		31 March 2020	
		FVPL	Amortized cost	FVPL	Amortized cost
Financial assets:					
Derivative financial asset	L2	-	-	-	-
Security Deposits	L3	-	8,348.18	-	8,775.82
Trade Receivables	L3	-	44,476.93	-	45,800.01
Cash and cash equivalents	L3	-	101,624.41	-	101,378.53
Total Financial assets		-	154,449.52	-	155,954.36
Financial liabilities:					
Current borrowing	L3	-	-	-	15,000.00
Lease liability	L3	-	56,204.75	-	69,250.45
Trade Payables	L3	-	13,405.26	-	9,722.63
Capital creditors	L3	-	334.64	-	439.41
Book overdraft	L3	-	89.00	-	6.41
Derivative financial liability	L3	-	65.37	-	-
Share save liability	L3	-	153.22	-	-
Share option scheme payable	L3	-	711.45	-	736.41
Total Financial liabilities		-	70,963.69	-	95,155.31

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The Company has no financial instruments which have been valued based on Level 1 inputs.

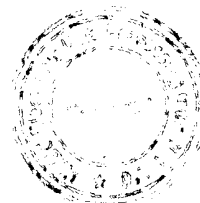
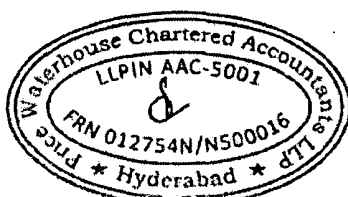
Level 2: The fair value of financial instruments that are not traded in an active market (viz foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs 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. This is the case for unlisted equity securities which are included in Level 3.

**Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using value of such foreign exchange forward contracts for the remaining maturity as at the Balance Sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
 (All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Valuation process**

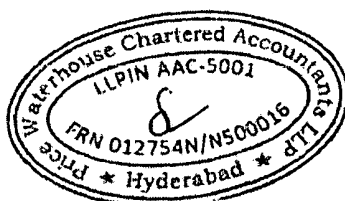
The finance and accounts department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, and report to the Board of Directors.

	Level	As at		As at	
		31 March 2021		31 March 2020	
		Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets:					
Derivative financial asset	L2	-	-	-	-
Security Deposits	L3	8,348.18	8,348.18	8,775.82	8,775.82
Trade Receivables	L3	44,476.93	44,476.93	45,800.01	45,800.01
Cash and cash equivalents	L3	101,624.41	101,624.41	101,378.53	101,378.53
Total Financial assets		154,449.52	154,449.52	155,954.36	155,954.36
Financial liabilities:					
Current borrowing	L3	-	-	15,000.00	15,000.00
Lease liability	L3	56,204.75	56,204.75	69,250.45	69,250.45
Trade Payables	L3	13,405.26	13,405.26	9,722.63	9,722.63
Capital creditors	L3	334.64	334.64	439.41	439.41
Bank overdraft	L3	89.00	89.00	6.41	6.41
Derivative financial liability	L3	65.37	65.37	-	-
Share save liability	L3	153.22	153.22	-	-
Share option scheme payable	L3	711.45	711.45	736.41	736.41
Total Financial liabilities		70,963.69	70,963.69	95,155.31	95,155.31

- The carrying amount of current financial assets and current financial liabilities carried at amortized cost are considered to be the same as their fair value due to their short-term nature.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

**Note 36: Employee share based payments**

Eligible employees of the Company have been granted options/awards of equity shares of the ultimate holding company HSBC Holdings plc. As per the schemes, these options/awards vest in a graded manner over an average period of one to five years. The Company has included INR 393.32 (2019-20: INR 863.62) of these costs under 'Salary, wages and bonus' in Note 20.



*[Handwritten signature]*

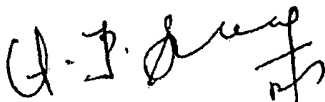
**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Note 37: Management assessment of COVID outbreak:**

The Novel Corona Virus (COVID-19) outbreak continues to spread rapidly across the globe including India causing major disruptions to business and economic activities. Developments around the COVID-19 pandemic so far suggest that global and domestic economic growth is expected to be negatively impacted resulting disruption of economic activity, which could impact the Company's performance. The extent to which COVID19 pandemic will impact the Company's performance depends on future developments, which are highly uncertain and dependent on circumstances as they evolve.

Management believes that COVID-19 pandemic will not have a material impact on the financial statements of the Company, because it is Captive Group Service Center providing data processing, call center and professional services (collectively referred to as "back office services") to HSBC group companies. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature of the duration and the Company will continue to monitor any material changes to future economic conditions.

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

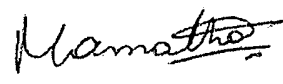


Srikanth Pola  
Partner  
Membership No: 220916

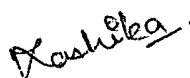
For and on behalf of Board of Directors



Paul Anthony Raddon  
Director  
DIN: 08109337



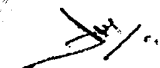
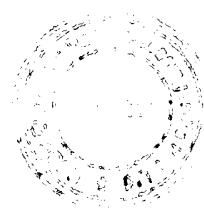
Mamatha Madireddy  
Director  
DIN: 09174826



Rashika U DUGAR  
Company Secretary

Place: Hyderabad  
Date: 21 September 2021

Place: Hyderabad  
Date: 21 September 2021



**HSBC Electronic Data Processing India Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
 (All amounts in Indian rupees lakhs, except share data and where otherwise stated)

**Annexure I:**

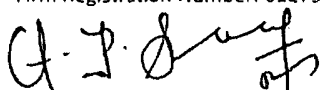
**Employee benefits expenses include key management personnel remuneration as follows:**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, bonus and allowances		
Delphine Antonutti	219.40	227.02
Paul Anthony Raddon	332.48	395.40
Prasad S Ravi*	-	-
Mark Body*	-	-
<b>Total</b>	<b>551.88</b>	<b>622.42</b>
Perquisites		
Delphine Antonutti	187.12	186.09
Paul Anthony Raddon	81.47	8.24
Prasad S Ravi*	-	-
Mark Body*	-	-
	<b>268.59</b>	<b>194.33</b>
<b>Total employee benefits</b>	<b>820.47</b>	<b>816.75</b>

\*Remuneration is borne by other group company.

The key management personnel are covered by the mediclaim insurance policy taken by the Company along with other employees of the Company.

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

  
 Srikanth Pola  
 Partner  
 Membership No: 220916

For and on behalf of Board of Directors

   
 Paul Anthony Raddon      Mamatha Madireddy  
 Director                      Director  
 DIN: 08109337              DIN: 09174826

  
 Rashika U DUGAR  
 Company Secretary

Place: Hyderabad  
 Date: 21 September 2021

Place: Hyderabad  
 Date: 21 September 2021



