

To 18556455/00

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 for**
You cannot use this form to
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with accounting requirement

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07/12/2023

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COMPANIES HOUSE

Part 1 Corporate company nameCorporate 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

Indian 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

A3

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐

No. Go to **Part 3 'Signature'**.

☒

Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

❶ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ❶

The Institute of Chartered Accountants of India

Part 3

Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X 45052110 SHREYA
AGARWAL

Digitally signed by: 45052110, SHREYA
AGARWAL

DN: CN = 45052110 SHREYA AGARWAL
Date: 2023.11.07 20:23:41 +05'30'

X

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	Chris Armstrong
Company name	HSBC Holdings Plc
Address	8 Canada Square, London
Post town	
County/Region	
Postcode	E 1 4 5 H Q
Country	
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 or email 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

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive loss), 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 Directors' report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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.

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC Electronic Data Processing India Private Limited
Report on audit of the Financial Statements
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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 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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.

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC Electronic Data Processing India Private Limited
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- (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 books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 11(b) above that the backup of books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year.
- (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 (as amended), 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.
 - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts (including derivative contracts).
 - 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, 2023.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37(vii) to the financial statements);
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37(vii) to the financial statements); and

INDEPENDENT AUDITOR'S REPORT

To the Members of HSBC Electronic Data Processing India Private Limited
Report on audit of the Financial Statements
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- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
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

SUDHARMENDRA

N

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SUDHARMENDRA N
Date: 2023.09.26 22:27:24 +05'30'

Place: Hyderabad
Date: September 26, 2023

Sudharmendra N
Partner
Membership Number: 223014
UDIN: 23223014BGXLZD6435

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of HSBC Electronic Data Processing India Private Limited on the financial statements for the year ended March 31, 2023

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

1. We have audited the internal financial controls with reference to financial statements of HSBC Electronic Data Processing India Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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.

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of HSBC Electronic Data Processing India Private Limited on the financial statements for the year ended March 31, 2023
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Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

SUDHARMENDRA N

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SUDHARMENDRA N
Date: 2023.09.26 22:27:52 +05'30'

Place: Hyderabad
Date: September 26, 2023

Sudharmendra N
Partner
Membership Number: 223014
UDIN: 23223014BGXLZD6435

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, 2023
Page 1 of 5

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

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 3 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of 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 for the year ended March 31, 2023
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- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of income tax, provident fund, professional tax and goods and service tax, the Company is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Due date	Date of Payment
Goods and Services Tax Act, 2017	Interest on goods and service tax	2,154.72	July 2017 to August 2022	August 2017 to September 2022	May 24, 2023

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of employees' state insurance, provident fund, professional tax, sales tax, duty of customs, duty of excise, cess, goods and service tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Fringe benefit tax	174.10	FY 2005-06	Commissioner of Income Tax (Appeals), Hyderabad
Income Tax Act, 1961	Income Tax and Interest	4,534.52	FY 2009-10, FY 2016-17	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax and Interest	10,625.30	FY 2006-07, FY 2010-11, FY 2014-15, FY 2015-16, FY 2017-18, FY 2018-19, FY 2020-21	Commissioner of Income Tax (Appeals), Hyderabad
West Bengal Value Added Tax Act, 2003	Value added Tax, Interest and Late fee	106.99	FY 2014-15	Senior Joint Commissioner, Commercial Taxes

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 for the year ended March 31, 2023

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Haryana Value Added Tax Act, 2003	Value added Tax, Interest and Late fee	0.84	FY 2015-16	Joint Excise and Taxation Commissioner (Appeals)
Haryana Value Added Tax Act, 2003	Value added 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

*Amounts paid under protest aggregating to Rs. 299.22 lakhs is reduced from the amounts demanded in arriving at the aforesaid disclosure.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(e) and 3(ix)(f) does not arise.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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 for the year ended March 31, 2023

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- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of 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 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 reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CIC as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

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 for the year ended March 31, 2023
Page 5 of 5

- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 38 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

SUDHARMENDRA N

Digitally signed by
SUDHARMENDRA N
Date: 2023.09.26 22:28:26 +05'30'

Place: Hyderabad
Date: September 26, 2023

Sudharmendra N
Partner
Membership Number: 223014
UDIN: 23223014BGXLZD6435

HSBC Electronic Data Processing India Private Limited

Balance Sheet as at 31 March 2023

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

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	59,921.35	44,139.33
Right-of-use asset	4	30,195.64	28,052.92
Capital work-in-progress	3	3,245.16	5,985.55
Intangible assets	5	548.89	357.20
Financial assets			
i) Other financial assets	6(c)	3,415.68	4,890.48
Deferred tax assets (Net)	7	17,933.30	15,057.28
Income tax assets (Net)	8	20,309.25	16,482.44
Other non-current assets	10	49,957.36	19,008.29
Total non-current assets		185,526.63	133,973.49
Current assets			
Financial assets			
i) Trade receivables	6(a)	81,736.16	66,708.03
ii) Cash and cash equivalents	6(b)	96,957.32	70,383.17
iii) Other financial assets	6(c)	2,820.24	2,570.01
Other current assets	10	15,083.26	13,493.40
Total current assets		196,596.98	153,154.61
Total assets		382,123.61	287,128.10
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	35,546.78	35,546.78
Other equity	12	191,468.73	135,349.03
Total equity		227,015.51	170,895.81
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Lease liabilities	13(b)	28,166.26	24,801.06
Provisions	14	3,658.79	4,415.80
Employee benefit obligations	15	7,158.78	4,634.97
Total non-current liabilities		38,983.83	33,851.83
Current liabilities			
Financial liabilities			
i) Current borrowings	13(a)		
ii) Lease liabilities	13(b)	8,748.15	9,814.55
iii) Trade payable			
a) Total outstanding dues of micro and small enterprises	13(c)	222.56	60.95
b) Total outstanding dues other than (iii) (a) above	13(c)	21,575.19	21,406.14
iv) Other financial liabilities	13(d)	2,514.96	1,587.50
Provisions	14	1,408.63	1,408.63
Contract liabilities	9		5,377.94
Employee benefit obligations	15	5,517.78	2,081.49
Current tax liabilities	16	10.82	6.77
Other current liabilities	17	76,126.18	40,636.49
Total current liabilities		116,124.27	82,380.46
Total liabilities		155,108.10	116,232.29
Total equity and liabilities		382,123.61	287,128.10

Significant accounting policies

1

The accompanying notes 1 to 40 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/NS00016

SUDHARMENDRA N Digitally signed by SUDHARMENDRA N
Date: 2023.09.26 22:56:13 +05'30'

Sudharmendra N

Partner

Membership No: 223014

Place: Hyderabad

Date: 26 September 2023

For and on behalf of Board of Directors

PAUL ANTHONY RADDON Digitally signed by PAUL ANTHONY RADDON
Date: 2023.09.26 17:58:58 +05'30'

Paul Anthony Raddon

Director

DIN: 08109337

Shreya AGARWAL
Company Secretary

Place: Hyderabad

Date: 26 September 2023

MAMATHA MADIREDDY Digitally signed by MAMATHA MADIREDDY
Date: 2023.09.26 17:50:24 +05'30'

Mamatha Madireddy

Director

DIN: 09174826

SHREYA AGARWAL Digitally signed by SHREYA AGARWAL
Date: 2023.09.26 16:17:45 +05'30'

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Date: 2023.09.26 18:57:05 +05'30'

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HSBC Electronic Data Processing India Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except earning per share and where otherwise stated)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	18	774,855.09	613,828.09
Other income	19	5,988.20	5,098.59
Total income		780,843.29	618,926.68
Expenses			
Employee benefits expense	20	417,207.93	343,214.00
Finance costs	21	6,906.07	4,672.98
Depreciation and amortization expense	22	32,011.82	28,727.02
Other expenses	23	199,633.33	146,442.09
Total expenses		655,759.15	523,056.09
Profit before tax		125,084.14	95,870.59
Income tax expense			
Current tax	24	33,715.79	24,631.05
Deferred tax	7, 24	(1,600.97)	112.14
Total tax expense		32,114.82	24,743.19
Profit for the year		92,969.32	71,127.40
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post employment benefits obligations	14	(5,066.17)	1,077.38
Income tax relating to these items	24	1,275.05	(271.15)
Other comprehensive income/(loss) for the year, net of tax		(3,791.12)	806.23
Total comprehensive income for the year		89,178.20	71,933.63
Earnings per equity share (par value of INR. 100 each (previous year INR. 100 each))	27		
Basic and diluted		261.54	200.10
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 1 to 40 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

SUDHARMENDRA N Digitally signed by SUDHARMENDRA N
Date: 2023.09.26 23:01:08 +05'30'

Sudharmendra N
Partner
Membership No: 223014

Place: Hyderabad
Date: 26 September 2023

For and on behalf of Board of Directors

PAUL ANTHONY RADDON Digitally signed by PAUL ANTHONY RADDON
Date: 2023.09.26 18:00:06 +05'30'

Paul Anthony Raddon
Director
DIN: 08109337

MAMATHA MADIREDDY Digitally signed by MAMATHA MADIREDDY
Date: 2023.09.26 17:51:25 +05'30'

Mamatha Madireddy
Director
DIN: 09174826

Shreya AGARWAL
Company Secretary

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Date: 2023.09.26 16:18:32 +05'30'

Place: Hyderabad
Date: 26 September 2023

RESTRICTED

RAMAKRISHNA KAMESWARARAO AAKI Digitally signed by RAMAKRISHNA KAMESWARARAO AAKI
Date: 2023.09.26 18:59:34 +05'30'

HSBC Electronic Data Processing India Private Limited
Statement of Cash Flows for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flows from operating activities		
Profit before tax	125,084.14	95,870.59
Adjustments:		
Interest income on fixed deposit	(3,312.28)	(2,343.07)
Interest income on security deposit	(537.89)	(658.90)
Interest on decommissioning liability	352.37	451.83
Gain on reversal of decommissioning liability	(1,787.18)	(1,013.27)
Credit facility charges	173.80	125.40
Interest on lease liability	3,270.86	4,221.15
(Profit)/Loss on sale of Property, plant and equipment	48.36	(46.13)
Disposed off of Property, plant and equipment	2,493.79	3,085.02
Depreciation and amortization	32,011.82	28,727.02
Unrealised foreign exchange differences	1,800.31	451.88
Operating cash flow before working capital changes	159,598.10	128,871.52
Decrease/ (Increase) in trade receivables	(20,237.32)	(21,815.10)
Decrease/ (Increase) in ROU asset	(14,240.81)	10,059.20
Decrease/ (Increase) in other current financial assets	(250.23)	677.72
Decrease/ (Increase) in other non-current financial assets	2,012.69	868.87
Decrease/ (Increase) in other current assets	(1,589.86)	(4,551.62)
Decrease/ (Increase) in contract assets		837.70
Decrease/ (Increase) in other non-current assets	(31,402.50)	(1,190.37)
Increase/ (Decrease) in lease liability	14,794.06	(8,966.09)
Increase/ (Decrease) in trade payable	339.93	7,794.20
Increase/ (Decrease) in provisions	(1,109.38)	(1,304.87)
Increase/ (Decrease) in other current financial liabilities	242.56	272.50
Increase/ (Decrease) in other current liabilities	35,489.69	995.60
Decrease/ (Increase) in contract liabilities	(5,377.94)	5,377.94
Increase/ (Decrease) in employee benefit obligations	893.92	(2,330.13)
Cash generated from operations	139,162.91	115,597.07
Taxes paid	(37,538.55)	(27,320.60)
Net cash generated by operating activities	101,624.36	88,276.47
B. Cash flows from investing activities		
Purchase of Property, plant and equipment (tangible and intangible fixed assets, capital work in progress)	(34,828.04)	(23,145.33)
Proceeds from sale of Property, plant and equipment	82.10	198.85
Interest income on fixed deposit	3,312.28	2,343.07
Net cash used in investing activities	(31,433.66)	(20,603.41)
C. Cash flows from financing activities		
Proceeds/(repayment) from borrowings		
Credit facility charges	(173.80)	(125.40)
Principal elements of lease payments	(13,978.94)	(15,830.92)
Dividend paid	(29,752.65)	(74,221.68)
Taxes on dividend	(3,305.85)	(8,246.86)
Net cash used in financing activities	(47,211.24)	(98,424.86)
Net increase/ (decrease) in cash and cash equivalents	22,979.46	(30,751.80)
Cash and cash equivalents at the beginning of period	70,383.17	101,624.41
Effect of exchange (loss)/gain on cash and cash equivalents	3,594.69	(489.44)
Cash and cash equivalents at the end of period	96,957.32	70,383.17

Notes:

1. Components of cash and cash equivalents

Cash on hand

Balances with scheduled banks:

- in current accounts	7,329.38	4,324.77
- in current accounts (outside India)	246.68	557.39
- in deposit accounts	89,287.13	63,382.48
- in export earners foreign currency accounts	94.13	2,118.53
	96,957.32	70,383.17

Amount spent in cash towards corporate social responsibility is INR 1,730.06 lakhs (March 2022 - INR 1,608.65 lakhs)

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number:012754N/N500016

SUDHARMENDRA N Digitally signed by SUDHARMENDRA N
Date: 2023.09.26 23:06:58 +05'30'

Sudharmendra N

Partner

Membership No: 223014

Place: Hyderabad

Date: 26 September 2023

For and on behalf of Board of Directors

PAUL ANTHONY RADDON Digitally signed by PAUL ANTHONY RADDON
Date: 2023.09.26 18:01:16 +05'30'

Paul Anthony Raddon

Director

DIN: 08109337

MAMATHA MADIREDDY Digitally signed by MAMATHA MADIREDDY
Date: 2023.09.26 17:52:42 +05'30'

Mamatha Madireddy

Director

DIN: 09174826

Shreya AGARWAL

Company Secretary

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Date: 2023.09.26 16:19:09 +05'30'

Place: Hyderabad

Date: 26 September 2023

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DN: CN = RAMAKRISHNA KAMESWARARAO AAKI C = IN O = Personal
Date: 2023.09.26 19:01:14 +05'30'

RESTRICTED

HSBC Electronic Data Processing India Private Limited

Statement of changes in equity for the year ended 31 March 2023

(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 2021	11	35,546.78
Changes in equity share capital		
As at 31 March 2022		35,546.78
Changes in equity share capital		
As at 31 March 2023		35,546.78

B. Other equity

Particulars	Note	Securities premium reserve	Retained earnings	Reserves and surplus	Share options outstanding account	Total other equity
				General reserve		
Balance as at 1st April 2021	12	5,564.72	130,701.58	8,350.53	1,267.11	145,883.94
Profit for the year			71,127.40			71,127.40
Other comprehensive income			806.23			806.23
-Dividends paid (including corporate dividend tax)			(82,468.54)			(82,468.54)
Balance as at 31 March 2022		5,564.72	120,166.67	8,350.53	1,267.11	135,349.03
Profit for the year			92,969.32			92,969.32
Other comprehensive income			(3,791.12)			(3,791.12)
-Dividends paid (including corporate dividend tax)			(33,058.50)			(33,058.50)
Balance as at 31 March 2023		5,564.72	176,286.37	8,350.53	1,267.11	191,468.73

Significant accounting policies

1

The accompanying notes 1 to 40 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/NS00016

SUDHARMENDRA N

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SUDHARMENDRA N.

Date: 2023.09.26 23:12:57 +05'30'

Sudharmendra N

Partner

Membership No: 223014

Place: Hyderabad

Date: 26 September 2023

For and on behalf of Board of Directors

PAUL
ANTHONY
RADDON

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PAUL
ANTHONY RADDON
Date: 2023.09.26 18:02:03
+05'30'

Paul Anthony Raddon
Director
DIN: 08109337

Shreya AGARWAL
Company Secretary

**SHREYA
AGARWAL**

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SHREYA AGARWAL
Date: 2023.09.26
16:19:36 +05'30'

Place: Hyderabad

Date: 26 September 2023

RESTRICTED

**MAMATHA
MADIREDDY**

Digitally signed by
MAMATHA MADIREDDY
Date: 2023.09.26 17:53:50
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Mamatha Madireddy
Director
DIN: 09174826

**RAMAKRISHN
A.
KAMESWARA
RAO AAKI**

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(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 (Ind AS) 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:

- certain financial assets and liabilities (including derivative instruments) is 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 issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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.

INTERNAL

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

d) Revenue recognition

(i) Timing of recognition:

Revenue from providing 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 unbilled revenue and is included under trade receivables. 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 and 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 substantially 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.

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:

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KAMESWARARAO
AO AAKI**
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DN: CN = RAMAKRISHNA
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Date: 2023.09.26 19:08:48 +05'30'

INTERNAL

HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

- 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 amounts due from customers for services performed in the ordinary course of business and reflect the entity's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognized initially at the transaction price as they do not contain significant financing components. The entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

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 (excluding trade receivables which do not contain a significant financing component) 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.

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(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 34 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 required 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.

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HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

(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.

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HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

(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.

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

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.

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

The employees of the Company are awarded share based payments operated by HSBC Holdings Plc, the ultimate holding company. The amount to be expensed with respect to the share based payments is determined with respect to fair value of options granted. The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be specified.

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).

(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.

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HSBC Electronic Data Processing India Private Limited

Notes to financial statements for the year ended 31 March 2023

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

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.

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.

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HSBC Electronic Data Processing India Private Limited

Notes to financial statements for the year ended 31 March 2023

(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 2022										
Gross carrying amount										
Opening 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
Additions during the year	3,142.93	6,017.03	-	5.05	5,675.39	8.52	-	1,316.93	16,165.85	22,153.06
Disposals during the year	(5,690.13)	(3,080.20)	(608.63)	(549.34)	(158.82)	(950.80)	-	(1,027.17)	(12,065.09)	-
Transfers	-	-	-	-	-	-	-	-	-	(16,227.73)
Closing gross carrying amount	25,871.67	41,124.65	1,757.25	1,597.86	22,894.23	4,225.63	84.48	5,079.46	102,635.23	5,985.55
Accumulated depreciation										
Opening 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	-
Depreciation charge during the year	4,556.16	6,842.93	162.36	262.17	2,386.68	507.78	5.12	613.37	15,336.57	-
Disposals during the year	(3,533.09)	(2,945.13)	(227.39)	(444.63)	(93.28)	(799.64)	-	(790.78)	(8,833.94)	-
Closing accumulated depreciation	14,043.21	26,527.48	931.36	1,162.51	9,354.44	3,011.44	79.36	3,386.10	58,495.90	-
Net carrying amount	11,828.46	14,597.17	825.89	435.35	13,539.79	1,214.19	5.12	1,693.36	44,139.33	5,985.55
Year ended 31 March 2023										
Gross carrying amount										
Opening gross carrying amount	25,871.67	41,124.65	1,757.25	1,597.86	22,894.23	4,225.63	84.48	5,079.46	102,635.23	5,985.55
Additions during the year	11,361.38	14,699.93	-	180.84	8,849.64	682.12	-	2,358.63	38,132.54	35,771.31
Disposals during the year	(1,165.19)	(4,908.96)	(111.56)	(238.23)	(3,157.55)	(522.41)	-	(923.36)	(11,027.26)	-
Transfers	-	-	-	-	-	-	-	-	-	(38,511.70)
Closing gross carrying amount	36,067.86	50,915.62	1,645.69	1,540.47	28,586.32	4,385.34	84.48	6,514.73	129,740.51	3,245.16
Accumulated depreciation										
Opening accumulated depreciation	14,043.21	26,527.48	931.36	1,162.51	9,354.44	3,011.44	79.36	3,386.10	58,495.90	-
Depreciation charge during the year	5,534.44	8,587.94	174.52	185.01	3,828.39	475.22	5.12	935.62	19,726.26	-
Disposals during the year	(1,143.82)	(4,477.26)	(107.27)	(235.04)	(1,301.07)	(479.56)	-	(658.98)	(8,403.00)	-
Closing accumulated depreciation	18,433.83	30,638.16	998.61	1,112.48	11,881.76	3,007.10	84.48	3,662.74	69,819.16	-
Net carrying amount	17,634.03	20,277.46	647.08	427.99	16,704.56	1,378.24	-	2,851.99	59,921.35	3,245.16

Notes:

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

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

Capital work-in-progress as at 31 March 2023
(a) Aging of CWIP

	Less than one year	Total
Projects in progress	3,245.16	3,245.16
Projects temporarily suspended		

(b) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

Capital work-in-progress as at 31 March 2022
(a) Aging of CWIP

	Less than one year	Total
Projects in progress	5,985.55	5,985.55
Projects temporarily suspended		

(b) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

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 2023	As at 31 March 2022
Buildings	30,195.64	28,052.92
Total	30,195.64	28,052.92

ii) Amount recognised in the statement of profit and loss

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation charge of Right-of-use asset		
Buildings	12,098.09	13,179.28
Total	12,098.09	13,179.28

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Interest expense (included in finance costs)	21	3,623.23	4,672.98
Expenses relating to short-term leases (included in other expenses)	23	749.66	649.45
Total		4,372.89	5,322.43

The total cash outflow for leases for the year was INR 13,978.94 (31 March 2022 was INR 15,830.92).

Note 5: Intangible assets

Particulars Computer Software

Year ended 31 March 2022	
Gross carrying amount	
Opening gross carrying amount	3,841.95
Additions during the year	61.88
Disposals during the year	(1,580.52)
Closing gross carrying amount	2,323.31
Accumulated amortisation	
Opening accumulated amortisation	3,328.87
Amortisation charge during the year	211.17
Disposals during the year	(1,573.93)
Closing accumulated amortisation	1,966.11
Net carrying amount	357.20

Year ended 31 March 2023	
Gross carrying amount	
Opening gross carrying amount	2,323.31
Additions during the year	379.16
Disposals during the year	(440.26)
Closing gross carrying amount	2,262.21
Accumulated amortisation	
Opening accumulated amortisation	1,966.11
Amortisation charge during the year	187.47
Disposals during the year	(440.26)
Closing accumulated amortisation	1,713.32
Net carrying amount	548.89

Note 6: Financial assets

Note 6(a): Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Trade receivables from related parties (refer note 26)	68,736.09	66,708.03
Trade receivables from related parties - unbilled (refer note 26)	13,000.07	
Unsecured, considered doubtful		
Trade receivables from related parties (refer note 26)		
Less: Loss allowance		
Total	81,736.16	66,708.03
Current portion	81,736.16	66,708.03
Non-current portion		

Aging of trade receivables 31 March 2023	Unbilled	Not due	Outstanding for following periods from the due date		
			Less than 6 months	6 months - 1 year	Total
Undisputed trade receivable					
considered good	13,000.07	57,723.74	10,257.04	755.31	81,736.16
Total	13,000.07	57,723.74	10,257.04	755.31	81,736.16

(a) There are no disputed trade receivables as at March 31, 2023.

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Aging of trade receivables 31 March 2022	Outstanding for following periods from the due date				Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	
Undisputed trade receivable considered good	-	50,960.19	15,698.05	49.79	66,708.03
Total	-	50,960.19	15,698.05	49.79	66,708.03

(a) There are no disputed trade receivables as at March 31, 2022.

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks (refer note 26)		
- In current accounts	7,329.38	4,324.77
- In current accounts (outside India)	246.68	557.39
- In EEFC accounts	94.13	2,118.53
Deposits with maturity of less than 3 months (including interest accrued thereon)	89,287.13	63,382.48
Total	96,957.32	70,383.17

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Security deposits				
- Unsecured, considered good	2,820.24	3,415.68	2,570.01	4,890.48
- Doubtful	-	122.00	-	-
Total	2,820.24	3,537.68	2,570.01	4,890.48
Less: Provision against security deposit (refer note 31)	-	(122.00)	-	-
Total	2,820.24	3,415.68	2,570.01	4,890.48

Note 7: Deferred tax assets (Net)

The balance comprises temporary differences attributable to

Particulars	As at 31 March 2023	As at 31 March 2022
Property plant and equipment and intangibles	7,075.89	5,974.84
Defined benefit obligations	1,801.72	1,166.53
Provisions for employee benefit	6,481.17	5,570.83
Mark to market on derivatives	49.10	27.89
ROU asset and lease liability	2,525.42	2,317.19
Total	17,933.30	15,057.28

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 2021	4,952.24	1,325.52	7,113.66	16.45	2,032.70	15,440.57
(Charged)/credited:						
- to profit or loss	1,022.60	112.16	(1,542.83)	11.44	284.49	(112.14)
- to other comprehensive income	-	(271.15)	-	-	-	(271.15)
As at 31 March 2022	5,974.84	1,166.53	5,570.83	27.89	2,317.19	15,057.28
(Charged)/credited:						
- to profit or loss	1,101.05	(639.86)	910.34	21.21	208.23	1,600.97
- to other comprehensive income	-	1,275.05	-	-	-	1,275.05
As at 31 March 2023	7,075.89	1,801.72	6,481.17	49.10	2,525.42	17,933.30

Note 8: Income tax assets (Net)

Particulars	As at 31 March 2023		As at 31 March 2022	
	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 105,887.29 (2022: INR 72,177.30)	-	11,537.53	-	7,710.72
Less: Provision against income tax litigations (refer note 31)	-	(10,555.59)	-	(10,555.59)
Total	-	20,309.25	-	16,482.44

Note 9: Contract assets and contract liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Contract liabilities	-	-	5,377.94	-
Total	-	-	5,377.94	-

(i) Significant changes in contract liabilities -

- Contract liability represents revenue billed to customers in advance INR 5,377.94 lakhs as at 31 March 2022.

(ii) Revenue recognised in relation to contract liabilities

- INR 5,377.94 lakhs revenue realised from customers during current financial year.

Note 10: Other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Unsecured considered good				
Capital advances	-	494.50	-	947.94
PF paid under protest	-	3,518.24	-	-
Sales tax and GST claims receivables	-	33,798.17	-	8,870.38
Balances with government authorities	-	11,828.67	-	8,778.71
Prepaid expenses	14,459.90	121.61	12,388.37	208.62
Security deposit	-	196.17	-	202.64
Security deposit - Other	-	-	-	-
Advances to suppliers	623.36	-	1,105.03	-
Unsecured considered doubtful	-	-	-	-
Claims receivable	-	-	-	-
Total	15,083.26	49,957.36	13,493.40	19,008.29

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Note 11: Equity share capital		
Authorised		
45,800,000 (as at 31 March 2022 : 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 2022 : 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 2023 and as at 31 March 2022 is set out below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	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 2023 and as at 31 March 2022 are set out below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	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 2023		As at 31 March 2022	
	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
Total	35,546,781	35,546.78	35,546,781	35,546.78

e) Details of shareholding of promoters:

As at March 31, 2023:

Name of the promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
HSBC Holdings B.V.	34,579,634	97%	0%
HSBC Finance (Netherlands)	967,139	3%	0%
HSBC Group Nominees UK Limited	8	0%	0%
Total	35,546,781	100%	0%

As at March 31, 2022:

Name of the promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
HSBC Holdings B.V.	34,579,634	97%	0%
HSBC Finance (Netherlands)	967,139	3%	0%
HSBC Group Nominees UK Limited	8	0%	0%
Total	35,546,781	100%	0%

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Note 12: Other equity		
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
Retained earnings	176,286.37	120,166.67
Total	191,468.73	135,349.03

	As at 31 March 2023	As at 31 March 2022
(i) Securities premium reserve		
Particulars		
Opening balance	5,564.72	5,564.72
Closing balance	5,564.72	5,564.72

	As at 31 March 2023	As at 31 March 2022
(ii) General reserve		
Particulars		
Opening balance	8,350.53	8,350.53
Closing balance	8,350.53	8,350.53

	As at 31 March 2023	As at 31 March 2022
(iii) Share options outstanding account		
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 2023	As at 31 March 2022
(iv) Retained earnings		
Particulars		
Opening balance	120,166.67	130,701.58
Net profit for the year	92,969.32	71,127.40
Items of other comprehensive income recognised directly in retained earnings		
(a) Remeasurement of post-employment benefit obligation net of tax	(3,791.12)	806.23
Dividends*	(29,752.65)	(74,221.68)
Tax on Dividends	(3,305.85)	(8,246.86)
Closing balance	176,286.37	120,166.67

* 2023: Dividend per share of INR 93 per share for 35,546,781 number of shares outstanding as at date. (2022: Dividend per share of INR 232 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 2023	As at 31 March 2022
Secured				
Working capital loan from Bank	Payable on demand	10%		
Total				

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 2023	As at 31 March 2022
Cash and cash equivalents	96,957.32	70,383.17
Current borrowings		
Lease liability	(36,914.41)	(34,615.61)
Net cash and cash equivalents	60,042.91	35,767.56

	Cash and cash equivalents	Current borrowings	Lease liability	Total
Net cash and cash equivalents as at 01 April 2021	101,624.41	-	56,204.75	45,419.66
Cash flows	(30,751.80)	-	(15,830.92)	(14,920.88)
Foreign exchange adjustments	(489.44)	-	-	(489.44)
Lease modifications	-	-	(9,979.37)	9,979.37
Credit facility charges	-	125.40	4,221.15	(4,346.55)
Credit facility charges paid	-	(125.40)	-	125.40
Net cash and cash equivalents as at 31 March 2022	70,383.17	-	34,615.61	35,767.56
Net cash and cash equivalents as at 01 April 2022	70,383.17	-	34,615.61	35,767.56
Cash flows	22,979.46	-	(13,978.94)	36,958.40
Foreign exchange adjustments	3,594.69	-	-	3,594.69
Lease modifications	-	-	13,006.88	(13,006.88)
Credit facility charges	-	173.80	3,270.86	(3,444.66)
Credit facility charges paid	-	(173.80)	-	173.80
Net cash and cash equivalents as at 31 March 2023	96,957.32	-	36,914.41	60,042.91

Note 13(b): Lease Liability

	As at 31 March 2023		As at 31 March 2022	
Particulars	Current	Non-current	Current	Non-current
Lease liability	8,748.15	28,166.26	9,814.55	24,801.06
Total	8,748.15	28,166.26	9,814.55	24,801.06

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Note 13(c): Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payable to other parties	18,602.88	17,003.95
Trade payables to related parties (refer note 26)	2,972.31	4,402.19
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	222.56	60.95
Total	21,797.75	21,467.09

Ageing of Trade payables as at 31 March 2023

	Outstanding for following periods from the due date		
	Not due	Less than 1 year	Total
Undisputed trade payables			
Micro enterprises and small enterprises	216.18	6.38	222.56
Others	18,411.69	191.19	18,602.88
Trade payables to related parties	3,133.59	(161.28)	2,972.31
Total	21,761.46	36.29	21,797.75

(a) There are no disputed trade payables as at March 31, 2023.

Ageing of Trade payables as at 31 March 2022

	Outstanding for following periods from the due date		
	Not due	Less than 1 year	Total
Undisputed trade payables			
Micro enterprises and small enterprises	60.95	-	60.95
Others	17,003.95	-	17,003.95
Trade payables to related parties	4,402.19	-	4,402.19
Total	21,467.09	-	21,467.09

(a) There are no disputed trade payables as at March 31, 2022.

Note 13(d) Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Payable to related parties (refer note 26 D(iii))		
Other amounts payable	603.53	352.93
Share option scheme payable	1,032.07	831.05
Payable to others		
Capital creditors	674.99	185.16
Bank overdraft	9.29	107.56
Derivatives	195.08	110.80
Total	2,514.96	1,587.50

Note 14: Provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Provision for VAT litigations (refer note 31)	106.99	-	106.99	-
(net of amount paid under protest for 2023: Nil (2022: INR 11.59))				
Provision for service tax litigation (refer note 31)	1,301.64	-	1,301.64	-
Decommissioning liability* (refer note 31)	-	3,658.79	-	4,415.80
Total	1,408.63	3,658.79	1,408.63	4,415.80

*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 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Gratuity	-	7,158.78	-	4,634.97
Leave obligation	5,517.78	-	2,081.49	-
Total	5,517.78	7,158.78	2,081.49	4,634.97

i) Post employment obligations

a) 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 LIC. 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. 16,594.96 (31 March, 2022: Rs. 14,035.44)

HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

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 2021	40,749.59	(35,482.88)	5,266.71
Current service cost	5,540.32		5,540.32
Past service cost			
Interest expense/(income)	2,607.20	(2,430.91)	176.29
Total amount recognised in profit or loss	8,147.52	(2,430.91)	5,716.61
Remeasurements			
-Return on plan assets, excluding amounts included in interest expense/(income)		21.34	21.34
-(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)	(1,098.72)		(1,098.72)
Total amount recognised in other comprehensive income	(1,098.72)	21.34	(1,077.38)
Employer contributions		(5,270.97)	(5,270.97)
Benefit payments	(3,672.25)	3,672.25	
As at 31 March 2022	44,126.14	(39,491.17)	4,634.97
Current service cost	5,665.51		5,665.51
Past service cost			
Interest expense/(income)	2,833.75	(2,798.83)	34.92
Total amount recognised in profit or loss	8,499.26	(2,798.83)	5,700.43
Remeasurements			
-Return on plan assets, excluding amounts included in interest expense/(income)		97.19	97.19
-(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)	4,968.98		4,968.98
Total amount recognised in other comprehensive income	4,968.98	97.19	5,066.17
Employer contributions		(8,242.79)	(8,242.79)
Benefit payments	(4,906.67)	4,906.67	
As at 31 March 2023	52,687.71	(45,528.93)	7,158.78

Net liability disclosed above is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of funded obligations	52,687.71	44,126.14
Fair value of plan assets	(45,528.93)	(39,491.17)
Deficit of funded plan	7,158.78	4,634.97
Unfunded plans		
Deficit of gratuity plan	7,158.78	4,634.97

Significant estimates: Actuarial assumptions and sensitivity

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.20%	6.80%
Salary growth rate	9.00%	9.00%
Retirement age	60 years	60 years
Attrition rate		
Upto 20 years	27.00%	27.00%
21-25 years	35.00%	35.00%
26-30 years	34.00%	34.00%
31-35 years	21.00%	21.00%
36-40 years	13.00%	13.00%
41-45 years	9.00%	9.00%
46-50 years	8.00%	8.00%
51-55 years	9.00%	9.00%
56-60 years	20.00%	20.00%
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 2023	31 March 2022	Increase in assumption		Decrease in assumption	
Discount rate	0.5%	0.5%	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Salary growth rate	1%	1%	(1,943.15)	(1,672.57)	2,075.54	1,789.94
Attrition rate	2%	2%	4,188.56	3,601.12	(3,746.37)	(3,210.47)
			(1,024.10)	(1,045.43)	1,243.50	1,282.42

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

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:

	As at 31 March 2023	As at 31 March 2022
Schemes of insurance (conventional products)	100%	100%
Undiscounted expected benefit payout		
< 1 years	As at 31 March 2023 6,040.45	As at 31 March 2022 4,923.68
1-5 years	25,836.13	21,571.52
> 5 years	41,582.54	32,385.41

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 5,517.78 (31 March 2022 – INR 2,081.49) 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 2023	As at 31 March 2022
Opening balance	6.77	1,496.07
Current tax payable	33,653.28	24,529.72
Less: Taxes paid	(33,649.23)	(26,019.02)
Total	10.82	6.77

Note 17: Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	36,216.75	29,822.35
Employee benefits payable	11,274.91	10,814.14
Advance from customers	28,634.52	
Total	76,126.18	40,636.49

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Note 18: Revenue from operations		
Particulars:		
Sale of back office services (refer note 26)		
to customers within India	25,594.01	21,286.37
to customers outside India	749,261.08	592,541.72
Total	774,855.09	613,828.09

	Year ended 31 March 2023	Year ended 31 March 2022
Note 19: Other income		
Particulars		
Interest on term deposits (refer note 26)	3,312.28	2,343.07
Interest unwinding on security deposit	537.89	658.90
Net profit on sale of fixed assets	-	46.13
Provision no longer required, written back	-	891.89
Gain on reversal of decommissioning liability	1,787.18	1,013.27
Gain on modification of lease	68.84	-
Miscellaneous income	282.01	145.33
Total	5,988.20	5,098.59

	Year ended 31 March 2023	Year ended 31 March 2022
Note 20: Employee benefits expenses		
Particulars		
Salaries, wages and bonus*	391,377.45	319,087.26
Contribution to provident and other funds (refer note (a) below)	16,594.96	14,035.44
Gratuity (refer note 15)	5,700.43	5,716.61
Staff welfare expenses	3,535.09	4,374.69
Total	417,207.93	343,214.00

*Of this INR 25.22 interest on unpaid gratuity outstanding as at year end included in note 17

Note (a) : Break up of contributions to Provident & other funds:

Contribution to Provident fund	15,842.21	13,509.78
Contribution to National pension scheme	752.75	525.66
	16,594.96	14,035.44

	Year ended 31 March 2023	Year ended 31 March 2022
Note 21: Finance cost		
Particulars		
Unwinding of interest on decommissioning liability	352.37	451.83
Interest on lease liability	3,270.86	4,221.15
Interest on GST on expat salary*	3,282.84	-
Total	6,906.07	4,672.98

*Of this INR 2,154.72 outstanding as at year end included in note 17

	Year ended 31 March 2023	Year ended 31 March 2022
Note 22: Depreciation and amortization expense		
Particulars		
Depreciation of property, plant and equipment	19,726.26	15,336.57
Depreciation of Right of use assets	12,098.09	13,179.28
Amortization of intangible assets	187.47	211.17
Total	32,011.82	28,727.02

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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Note 23: Other expenses		
Particulars		
Traveling and conveyance	7,398.79	650.90
Rent	749.66	649.45
Recruitment and relocation	10,236.77	3,504.87
Power and fuel	3,621.25	2,947.66
Repairs and maintenance		
- equipment	4,324.84	2,970.30
- buildings	7,355.22	6,155.34
- others	2,394.31	2,936.63
Software maintenance	42,578.91	35,847.68
Legal and professional	95,124.82	66,917.10
Office expenses	1,299.61	1,329.60
Staff training expenses	1,804.06	1,084.51
Foreign exchange loss, net	38.46	1,637.04
Insurance	10,033.89	7,872.64
Provision for doubtful security deposits	122.00	
Communication	5,724.49	5,566.08
Printing and stationery	181.31	201.06
Bank charges (refer note 26)	420.08	278.40
Credit facility charges (refer note 26)	173.80	125.40
Rates and taxes	1,674.49	665.18
Auditors' remuneration (refer note 29)	45.29	39.87
Expenditure towards corporate social responsibility (CSR) (refer note 30)	1,730.06	1,608.65
Net loss on sale of fixed assets	48.36	
Assets disposed off	2,493.79	3,085.02
Miscellaneous expenses	59.07	368.71
Total	199,633.33	146,442.09

Note 24: Income tax expense

	Year ended 31 March 2023	Year ended 31 March 2022
a) Recognised in the statement of profit and loss		
Domestic taxes - current year	33,647.48	24,519.75
Domestic taxes - prior year	62.51	101.33
Foreign taxes	5.80	9.97
Total current tax	33,715.79	24,631.05
Deferred tax		
Domestic taxes	(1,600.97)	112.14
Total income tax expenses	32,114.82	24,743.19

* The Company has filed for the Bilateral Advance Pricing Agreement (BAPA) with UK & US and Unilateral Advance Pricing Agreement with rest of the countries which will be valid from the FY 2023-24 till FY 2027-28.

b) Recognised in other comprehensive income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax		
In respect of the current year	(1,275.05)	271.15
	(1,275.05)	271.15

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax from continuing operations	125,084.14	95,870.59
Income tax expense calculated at 25.168% (2021-22 :25.168%)	31,481.18	24,128.71
Effect of expenses that are not deductible in determining taxable profit	430.24	426.52
Adjustments recognised in the current year in relation to the current tax of prior years	62.51	101.33
Others	140.89	86.63
Income tax expense recognised in profit or loss	32,114.82	24,743.19

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HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

Note 25: Commitments and contingent liabilities

		As at 31 March 2023	As at 31 March 2022
(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 Nil (2022 - INR Nil)	16,990.92	11,257.67
	(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 avilment 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.	5,020.04	10,026.97
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, 2011-12 and 2013-14. 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.
12	HSBC InvestDirect Financial Services (India) Limited
13	HSBC Software Development (Guangdong) Limited

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HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

S. No.	Name of the party
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.
35	Hang Seng Bank (China) Limited
36	Hang Seng Bank Limited
37	Hang Seng Investment Management Limited
38	The Hongkong and Shanghai Banking Corporation Limited Thailand Branch
39	HSBC Bank plc Johannesburg Branch
40	HSBC (Malaysia) Trustee Berhad
41	HSBC Alternative Investments Limited
42	HSBC Amanah Malaysia Berhad
43	HSBC Asset Management (Japan) Limited
44	HSBC Assurances Vie (France)
45	HSBC Bank (Chile)
46	HSBC Bank (China) Company Limited
47	HSBC Bank (Mauritius) Limited
48	HSBC Bank (RR) (Limited Liability Company)
49	HSBC Bank (Taiwan) Limited
50	HSBC Bank (Uruguay) S.A.
51	HSBC Bank (Vietnam) Ltd.
52	HSBC Bank A.S.
53	HSBC Bank Argentina S.A.
54	HSBC Bank Armenia cjsc

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HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

S. No.	Name of the party
55	HSBC Bank Australia Limited
56	HSBC Bank Bermuda Limited
57	HSBC Bank Egypt S.A.E
58	HSBC Bank Malaysia Berhad
59	HSBC Bank Malta p.l.c.
60	HSBC Bank Middle East Limited ALGERIA
61	HSBC Bank Middle East Limited KUWAIT BR
62	HSBC Bank Middle East Limited QATAR BR
63	HSBC Bank Middle East Limited UAE BR
64	HSBC Bank Oman S.A.O.G.
65	HSBC Broking Services (Asia) Limited
66	HSBC CONTINENTAL EUROPE GREECE
67	HSBC Electronic Data Processing (Malaysia) Sdn Bhd
68	HSBC Global Asset Management (Canada) Limited
69	HSBC Global Asset Management (Hong Kong) Limited
70	HSBC Global Asset Management (UK) Limited
71	HSBC Global Asset Management (USA) Inc.
72	HSBC Global Asset Management Limited
73	HSBC Global Services Limited [Malaysia Branch]
74	HSBC Institutional Trust Services (Singapore) Limited
75	HSBC Insurance (Asia) Limited
76	HSBC Insurance (Asia-Pacific) Holdings Limited
77	HSBC Insurance (Singapore) Pte. Limited
78	HSBC Investment Funds (Canada) Inc.
79	HSBC Investment Funds (Luxembourg) SA
80	HSBC Life (UK) Limited
81	HSBC Life Insurance Company Limited
82	HSBC Private Bank (Luxembourg) S.A.
83	HSBC Private Bank (Suisse) SA
84	HSBC Qianhai Securities Limited
85	HSBC Securities (Canada) Inc.
86	HSBC Securities (South Africa) (Pty) Limited
87	HSBC Securities (Taiwan) Corporation Limited
88	HSBC Securities (USA) Inc.
89	HSBC Securities Services (Ireland) DAC
90	HSBC Seguros de Vida (Argentina) S.A.
91	HSBC Technology & Services (China) Limited
92	HSBC Trust Company (Canada)
93	HSBC Trustee (C.I.) Limited
94	HSBC Trustee (Hong Kong) Limited
95	HSBC UK Bank plc

HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

S. No.	Name of the party
96	HSBC USA Inc.
97	INKA Internationale Kapitalanlagegesellschaft mbH
98	Marks and Spencer Financial Services plc
99	PT Bank HSBC Indonesia
100	The Saudi British Bank
101	HSBC InvestDirect (India) Limited
102	The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch
103	The Hongkong and Shanghai Banking Corporation Limited Seoul Branch
104	The Hongkong and Shanghai Banking Corporation Limited New Zealand branch
105	The Hongkong and Shanghai Banking Corporation Limited Manila Branch
106	The Hongkong and Shanghai Banking Corporation Limited Singapore Branch
107	The Hongkong and Shanghai Banking Corporation Limited Sri Lanka Branch
108	The Hongkong and Shanghai Banking Corporation Limited Bangladesh Branch
109	The Hongkong and Shanghai Banking Corporation Limited Macau Branch
110	HSBC Continental Europe Czech Republic
111	HSBC Continental Europe Italy
112	HSBC Trinkaus & Burkhardt GmbH
113	HSBC Continental Europe Sucursal en España
114	HSBC Continental Europe (Spółka Akcyjna) Oddział w Polsce
115	HSBC Bank plc Guernsey Branch
116	HSBC Bank Middle East Limited BAHRAIN BR
117	HSBC Bank plc Ireland Branch
118	The Hongkong and Shanghai Banking Corporation Limited Mauritius Branch
119	HSBC Bank plc Jersey Branch
120	Hang Seng Bank Limited Singapore Branch
121	The Hongkong and Shanghai Banking Corporation Limited Maldives Branch
122	HSBC Bank USA National Association
123	The Hongkong and Shanghai Banking Corporation Limited Seoul Securities Branch
124	HSBC Bank plc Isle of Man Branch
125	HSBC Continental Europe The Netherlands
126	HSBC Continental Europe Belgium
127	HSBC Continental Europe Ireland
128	HSBC Continental Europe Luxembourg
129	Banco HSBC S.A
130	PT HSBC Sekuritas Indonesia
131	HSBC Saudi Arabia
132	HSBC Bank plc London Zurich Branch
133	HSBC Holdings plc
134	The Hongkong and Shanghai Banking Corporation Limited Labuan Branch
135	The Hongkong and Shanghai Banking Corporation Limited IFSC Gujarat
136	Hang Seng Insurance Company Limited

HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

S. No.	Name of the party
137	HSBC Continental Europe Bank, Sweden Filial
138	HSBC Global Asset Management (Singapore) Limited
139	HSBC Life (Singapore) Pte. Ltd.
140	HSBC Mexico, S.A., Institucion de Banca Multiple, Grupo Financiero HSBC
141	HSBC Private Banking Holdings (Suisse) SA
142	HSBC Saudi Arabia, a Saudi closed Joint Stock Company

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

C) Key managerial personnel:

S.No.	Name of party	Relationship
1	Paul Anthony Raddon	Director
2	Mamatha Madireddy	Director
3	Jonathan Ka Wing Scott Lee	Director (Effective 08 December 2022)
4	Mark Body	Director (Until 31 December 2022)

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income from back office services:		
- HSBC Global Services Limited	1,672.39	445,931.33
- HSBC Group Management Services Limited	179,949.95	26,353.00
- HSBC Global Services (UK) Limited	105,690.01	26,213.35
- HSBC UK Bank plc	100,642.58	18,424.78
- The Hongkong and Shanghai Banking Corporation Limited	84,039.60	16,910.03
- HSBC Bank plc	49,998.16	10,712.86
- HSBC Technology & Services (USA) Inc.	35,599.10	7,682.60
- Others	217,263.30	61,600.14
Other income:		
Interest earned on fixed deposit:		
- HSBC Bank India Branch	3,312.28	2,343.07
Rental income :		
- HSBC Software Development (India) Private Ltd	173.92	-
- HSBC Securities and Capital Markets (India) Private Limited	51.14	51.36
Other expenses (other than HSBC Bank India Branch):		
- HSBC Global Services (UK) Limited	22,300.97	25,610.88
- HSBC Global Services (Hong Kong) Limited	4,050.33	1,359.28
- HSBC Group Management Services Limited	6,298.36	2,207.35
- HSBC Software Development (India) Private Ltd	2,777.74	1,223.26
- HSBC Technology & Services (USA) Inc.	1,347.25	1,677.10
- Others	2,201.73	2,467.41

HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Share base expense:		
- HSBC Holdings plc	555.41	406.12
Transactions with HSBC Bank India Branch:		
- Rent and utility expenses	487.70	411.52
- Bank charges	420.08	278.40
- Credit facility charges	173.80	125.40
Other transactions (capital expenditure):		
- HSBC Global Services (UK) Limited	862.37	236.85
- HSBC Software Development (India) Private Ltd	48.97	1.55
Other transactions (sale of fixed assets):		
- HSBC Bank India Branch	17.90	22.54
- HSBC Asset Management (India) Private Limited	0.33	-
- HSBC Software Development (India) Private Ltd	14.49	10.67

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

Particulars	As at 31 March 2023	As at 31 March 2022
Bank financial guarantees	12,697.19	12,720.78

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

Particulars	As at 31 March 2023	As at 31 March 2022
Trade Receivables:		
- HSBC Group Management Services Limited	18,738.69	7,743.82
- HSBC Global Services (UK) Limited	13,154.76	8,769.74
- HSBC UK Bank plc	8,837.34	8,684.75
- The Hongkong and Shanghai Banking Corporation Limited	6,173.25	7,948.30
- HSBC Bank plc	4,209.71	2,653.78
- HSBC Bank Malaysia Berhad	3,327.39	1,226.98
- Others	27,295.02	29,680.66
Balances held in bank accounts:		
- HSBC Bank India Branch	96,710.64	69,825.78
- HSBC Bank plc (held outside India)	246.68	557.39

HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Trade Payables (amounts net of TDS/WHT wherever applicable)		
- HSBC Global Services (UK) Limited	1,197.73	3,918.86
- HSBC Group Management Services Limited	539.83	94.79
- HSBC Software Development (India) Private Ltd	374.58	113.25
- HSBC Global Services (Hong Kong) Limited	379.05	(554.33)
- HSBC Bank plc.	131.71	569.03
- Others	349.41	260.59
Other amounts payable:		
- HSBC Asset Management (India) Private Limited	27.56	18.16
- HSBC Securities and Capital Markets (India) Private Limited	254.43	150.97
- HSBC Professional Services (India) Private Limited	1.99	0.54
- HSBC Software Development (India) Private Limited	319.55	183.26
Share option scheme payable:		
- HSBC Holdings plc	1,032.07	831.05
Current borrowing:		
- The Hongkong and Shanghai Banking Corporation Limited	-	-

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 2023	Year ended 31 March 2022
Salaries, bonus and allowances	364.15	591.39
Perquisites	106.47	156.21
Total	470.62	747.60

Details of remuneration paid to key management personnel are given in note 40.

Note 27: Earnings per share

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit after tax	92,969.32	71,127.40
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	261.54	200.10

*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 2023**

(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 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
International	749,261.08	592,541.72	-	-
Domestic	25,594.01	21,286.37	143,868.40	97,543.29
Total	774,855.09	613,828.09	143,868.40	97,543.29

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

Note 29: Details of payment to auditors

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Audit fees	39.79	37.37
Tax audit fees	3.50	2.50
Reimbursement of expenses	2.00	-
Total	45.29	39.87

Note 30: Details of corporate social responsibility expenditure

The Company had to spend INR 1,730.06 (2022: 1,608.65) 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 1,730.06 (2022: 1,608.65) to charitable organizations towards CSR activities during the year ended March 31, 2023. 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 1,730.06 (2022: INR 1,608.65).
 (b) Amount approved by the Board to be spent during the year is INR 1,730.06 (2022: INR 1,608.65).
 (c) Amount spent during the year on:

Year ended 31 March 2023:

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than above	1,730.06	-	1,730.06

Year ended 31 March 2022:

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than above	1,608.65	-	1,608.65

HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
 (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.

Provision for income tax matters	As at 31 March 2023	As at 31 March 2022
Opening balance	10,555.59	10,478.69
Add: Provision/(reversal) made during the year	-	76.90
Closing balance	10,555.59	10,555.59

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 2023	As at 31 March 2022
Opening balance	1,301.64	1,301.64
Add: Provision/(reversal) made during the year	-	-
Closing balance	1,301.64	1,301.64

Provision for provident fund: Provision for provident fund matter is related to the impact of Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

Provision for provident fund	As at 31 March 2023	As at 31 March 2022
Opening balance	9,451.03	9,451.03
Add: Provision/(reversal) made during the year	-	-
Closing balance	9,451.03	9,451.03

Final Orders with regards to 7A proceedings that was underway was issued in March 2022 by RPFC, assessing shortfall in contribution from February 2008 to March 2016 as INR 3,518.24 (principal dues). While appeal against the order is pending before the CGIT (Central Government Industrial Tribunal), the operation of the order has been stayed by the Telangana High Court, subject to HDPI depositing 100% of the principal dues to EPFO.

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 2023	As at 31 March 2022
Opening balance	106.99	236.33
Add: Provision/(reversal) made during the year	-	(129.34)
Less: Amounts paid under protest	-	-
Closing balance	106.99	106.99

HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

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 2023	As at 31 March 2022
Opening balance	4,415.80	5,139.50
Add: Interest unwinding	352.37	451.83
Add: Provision/(reversal) made during the year	(1,109.38)	(1,175.53)
Closing balance	3,658.79	4,415.80

Provision for security deposits: Provision for security deposits is on account of rental deposits which were due for collection. The Company has established a provision for doubtful rental deposits to account for potential losses arising from uncertainties related to the return of these deposits.

Provision for security deposits	As at 31 March 2023	As at 31 March 2022
Opening balance	-	-
Add: Provision/(reversal) made during the year	122.00	-
Closing balance	122.00	-

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 2023	Year ended 31 March 2022
(i) The principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	222.56	60.95
(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	-	-

HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

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 2023	Year ended 31 March 2022
Net debt	-	-
Total equity	227,015.51	170,895.81
Net debt to equity ratio	-	-

(b) Dividends

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Dividend paid (inclusive of dividend distribution tax)	33,058.50	82,468.54

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.

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 2023:

(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	Security deposits	6,357.92	2%	122.00	6,235.92
- Loss allowance measured at 12 month expected credit losses					

HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

(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	81,736.16	-	81,736.16
Expected credit loss rate	-	-	-
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables and contract assets	81,736.16	-	81,736.16

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 2022:**(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	7,460.49	-	-	7,460.49

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	66,708.03	-	66,708.03
Expected credit loss rate	-	-	-
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables and contract assets	66,708.03	-	66,708.03

Reconciliation of loss allowance:

Particulars	Trade receivables and contract asset	Security deposits
Loss allowance as at 31 March 2021	-	-
Add/(Less): allowance created/(reversed) during the year	-	-
Loss allowance as at 31 March 2022	-	-
Add/(Less): allowance created/(reversed) during the year	-	122.00
Loss allowance as at 31 March 2023	-	122.00

HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

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 2023	Year ended 31 March 2022
Expiring within one year (other facilities)	30,000.00	30,000.00

(ii) Maturities of financial liabilities

Contractual maturities of financial liabilities as at 31 March 2023	Less than 12 months	Greater than 12 months	Total
Lease liability	8,748.15	28,166.26	36,914.41
Trade Payable	21,797.75	-	21,797.75
Capital creditors	674.99	-	674.99
Book overdraft	9.29	-	9.29
Derivative financial liability	195.08	-	195.08
Other amounts payable	603.53	-	603.53
Share option scheme payable	1,032.07	-	1,032.07
Total	33,060.86	28,166.26	61,227.12

Contractual maturities of financial liabilities as at 31 March 2022	Less than 12 months	Greater than 12 months	Total
Lease liability	9,814.55	24,801.06	34,615.61
Trade Payable	21,467.09	-	21,467.09
Capital creditors	185.16	-	185.16
Book overdraft	107.56	-	107.56
Derivative financial liability	110.80	-	110.80
Other amounts payable	352.93	-	352.93
Share option scheme payable	831.05	-	831.05
Total	32,869.14	24,801.06	57,670.20

HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

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, 2023		As at 31 March, 2022	
	USD	GBP	USD	GBP
Foreign currency assets				
- Trade receivables - hedged	33,250.50	-	32,921.29	-
- Trade receivables - unhedged	45,558.51	-	29,681.49	-
- Cash and bank	89.88	246.68	2,054.71	557.39
Foreign currency liabilities				
- Payables	3,383.71	1,869.27	(293.74)	4,582.69
Derivative liabilities				
- Foreign exchange forward contracts	195.08	-	110.80	-

(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 2023	Year ended 31 March 2022
USD Sensitivity		
USD appreciates by 1%	1,119.11	1,091.60
USD depreciates by 1%	(1,119.11)	(1,091.60)
GBP Sensitivity		
GBP appreciates by 1%	(16.18)	(40.29)
GBP depreciates by 1%	16.18	40.29

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

HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

	Level	As at		As at	
		31 March 2023		31 March 2022	
		FVPL	Amortized cost	FVPL	Amortized cost
Financial assets:					
Security Deposits	L3	-	6,235.92	-	7,460.49
Trade Receivables	L3	-	81,736.16	-	66,708.03
Cash and cash equivalents	L3	-	96,957.32	-	70,383.17
Total Financial assets		-	184,929.40	-	144,551.69
Financial liabilities:					
Current borrowing	L3	-	-	-	-
Trade Payables	L3	-	21,797.75	-	21,467.09
Capital creditors	L3	-	674.99	-	185.16
Book overdraft	L3	-	9.29	-	107.56
Derivative financial liability	L3	195.08	-	110.80	-
Other amounts payable	L3	-	603.53	-	352.93
Share option scheme payable	L3	-	1,032.07	-	831.05
Total Financial liabilities		195.08	24,117.63	110.80	22,943.79

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.

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.

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.

HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023

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

	Level	As at		As at	
		31 March 2023		31 March 2022	
		Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets:					
Security Deposits	L3	6,235.92	6,235.92	7,460.49	7,460.49
Trade Receivables	L3	81,736.16	81,736.16	66,708.03	66,708.03
Cash and cash equivalents	L3	96,957.32	96,957.32	70,383.17	70,383.17
Total Financial assets		184,929.40	184,929.40	144,551.69	144,551.69
Financial liabilities:					
Current borrowing	L3	-	-	-	-
Trade Payables	L3	21,797.75	21,797.75	21,467.09	21,467.09
Capital creditors	L3	674.99	674.99	185.16	185.16
Book overdraft	L3	9.29	9.29	107.56	107.56
Derivative financial liability	L3	195.08	195.08	110.80	110.80
Other amounts payable	L3	603.53	603.53	352.93	352.93
Share option scheme payable	L3	1,032.07	1,032.07	831.05	831.05
Total Financial liabilities		24,312.71	24,312.71	23,054.59	23,054.59

- 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 555.41 (2021-22: INR 406.12) of these costs under 'Salary, wages and bonus' in Note 20.

Note 37: Additional regulatory information required by Schedule III

- Details of benami property held** - No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- Borrowing secured against current assets** - The Company has no borrowings from banks and financial institutions on the basis of security of current assets.
- Willful defaulter** - The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- Relationship with struck off companies** - The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- Compliance with number of layers of companies** - The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- Compliance with approved scheme(s) of arrangements** - The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- Utilization of borrowed funds and share premium** - The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

HSBC Electronic Data Processing India Private Limited**Notes to financial statements for the year ended 31 March 2023**

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

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii) Undisclosed income - There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

xi) Details of crypto currency or virtual currency - The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

x) Valuation of PP&E, intangible asset and investment property – The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Note 38: Financial Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for variance
Current ratio	Current assets	Current liabilities	1.69	1.86	-9%	Not applicable.
Return on equity ratio	Net profit after taxes	Average equity	0.47	0.40	16%	Not applicable.
Trade payable turnover ratio	Other expenses	Average trade payables	9.23	8.40	10%	Not applicable.
Trade Receivable turnover ratio	Revenue from operations	Average trade receivables	10.44	11.04	-5%	Not applicable.
Net capital turnover ratio	Revenue from operations	Average working capital (current assets less current liabilities)	10.25	7.86	30%	Increase is on account of increased revenue in current financial year.
Net profit ratio	Profit for the year	Revenue from operations	0.12	0.12	4%	Not applicable.
Return on capital employed	Earnings before interest and tax (PBT plus finance cost)	Capital employed (Equity)	0.58	0.59	-1%	Not applicable.

The following ratios are not applicable to the Company:

Debt-Equity Ratio, Debt Service Coverage Ratio, Inventory Turnover Ratio and Return on Investment Ratio.

HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

Note 39: Other regulatory information

- i) Title deeds of immovable properties not held in name of the companies – The Company does not own any immovable property as at March 31, 2023.
- ii) Registration of charges or satisfaction with Registrar of Companies – There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- iii) Utilisation of borrowings availed from banks and financial institutions – The Company does not have any loans or borrowings as at March 31, 2023.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

**SUDHARMENDR
A N** Digitally signed by
SUDHARMENDRA N
Date: 2023.09.26 23:19:58 +05'30'

Sudharmendra N
Partner
Membership No: 223014

For and on behalf of Board of Directors

**PAUL
ANTHONY
RADDON** Digitally signed by
PAUL ANTHONY
RADDON
Date: 2023.09.26
18:04:15 +05'30'

Paul Anthony Raddon
Director
DIN: 08109337

**MAMATHA
MADIREDDY** Digitally signed by
MAMATHA
MADIREDDY
Date: 2023.09.26
17:55:59 +05'30'

Mamatha Madireddy
Director
DIN: 09174826

**SHREYA
AGARWAL** Digitally signed by
SHREYA AGARWAL
Date: 2023.09.26
16:20:20 +05'30'

Shreya AGARWAL
Company Secretary

Place: Hyderabad
Date: 26 September 2023

Place: Hyderabad
Date: 26 September 2023

**RAMAKRISHN
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KAMESWARA
RAO AAKI** Digitally signed by:
RAMAKRISHNA
KAMESWARARAO AAKI
DN: CN = RAMAKRISHNA
KAMESWARARAO AAKI C =
IN O = Personal
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HSBC Electronic Data Processing India Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in Indian rupees lakhs, except share data and where otherwise stated)

Note 40:

Employee benefits expenses include key management personnel remuneration as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, bonus and allowances		
Paul Anthony Raddon	211.71	465.46
Mamatha Madireddy	152.44	125.93
Mark Body*	-	-
Jonathan Ka Wing Scott Lee*	-	-
Total	364.15	591.39
Perquisites		
Paul Anthony Raddon	106.16	155.99
Mamatha Madireddy	0.31	0.22
Mark Body*	-	-
Jonathan Ka Wing Scott Lee*	-	-
	106.47	156.21
Total employee benefits	470.62	747.60

*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

SUDHARMENDRA N Digitally signed by
SUDHARMENDRA N
Date: 2023.09.26 23:26:42 +05'30'

Sudharmendra N
Partner
Membership No: 223014

For and on behalf of Board of Directors

PAUL ANTHONY RADDON Digitally signed by
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Date: 2023.09.26 18:03:07 +05'30'

Paul Anthony Raddon
Director
DIN: 08109337

MAMATHA MADIREDDY Digitally signed by
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Mamatha Madireddy
Director
DIN: 09174826

SHREYA AGARWAL Digitally signed by
SHREYA AGARWAL
Date: 2023.09.26 16:20:57 +05'30'

Shreya AGARWAL
Company Secretary

Place: Hyderabad
Date: 26 September 2023

Place: Hyderabad
Date: 26 September 2023

RESTRICTED

RAMAKRISHNA KAMESWARARAO AAKI Digitally signed by
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Date: 2023.09.26 20:13:42 +05'30'